



UNITED BREWERIES LIMITED

RACING AHEAD



ANNUAL REPORT 2014 - 2015

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Dr. Vijay Mallya
Chairman



RACING AHEAD

The King of Good Times

MAXIMUM TASTE. MAXIMUM LIFE.



THE EMPEROR OF GOOD TIMES

Chairman's Statement

Dear Friends & Fellow Shareholders,

Since we last met a year ago, the global economic environment has changed in many different ways, several of which have had a positive rub-off on the Indian economy, while yet others have added to a sense of uncertainty. Softening of commodity prices, in particular that of oil and minerals including gold has, in substantial measure, helped to improve the cost structures and deficits, on one hand, while easing core inflation on the other. This has opened up the possibility of the country moving to an extended period of low inflationary pressures which taken together with productivity improvements can result in sustained growth. The slowing down of the Chinese economy and the slow rate of growth experienced by most European economies, with the exception of Germany, has meant a more affordable energy basket which has a positive rub-off effect across the board for India which is largely still dependent on imported hydrocarbons. The recent re-approachment between the United States and Iran should auger further increase in oil supplies with resultant softening of prices.

Simultaneously, the softening in the prices of gold, taken together with measures being initiated by the Government for monetization of the yellow metal, has also greatly helped in reducing the fiscal deficit.

The monsoon this year which was expected to be very much below average has turned out to be, thus far, better than expected. Most parts of the country, barring some areas of the West, have received enough rainfall in the sowing period and consequently there are reports of 4% increase in acreage under cultivation. This too is resulting in an improved confidence in the rural sector leading to enhanced demand for goods and services.

Despite very visible hurdles to governance arising from political rivalry between the Government and the Opposition Parties that has stalled Parliament and blocked the progress of several important legislations, most particularly the introduction of the Goods and Service Tax and Land Acquisition Bill, several initiatives by the newly formed Government to streamline processes, clamp down on corruption, etc. are beginning to take root. The most significant among these initiatives has been the move towards direct transfer of benefits and strenuous efforts to enhance banking outreach through universal coverage. To my mind, bringing millions of previously unbanked Indians into the formal financial sector is very likely to reap rich dividends in the years to come. Similarly, the replacement of subsidies by targeted direct benefit transfer not only dramatically reduces leakages but also empowers a new set of consumers.

Turning to the operation of our company, United Breweries consistent with its record of many years, sustained growth at higher rates than industry and thereby accrued market share during the last financial year. In the backdrop of an industry that grew at about 7%, our company has recorded overall growth of 7%, accumulating volumes of 147 million cases (12 mio HL), accounting for 51% of the total market. Importantly, in the premium beer segment, within both strong and mild categories, which constitute the core of United Breweries' business growth rate, has been significantly higher than the overall industry, reflecting higher willingness and ability to spend among target consumers. Despite the aggressive presence of all the major international brewers in the country, I am proud that we have been able to increase our share year-on-year and today our size is more than double of the nearest competitor.

These growths have been made possible both by new launches and strong performance of star brands. Kingfisher Ultra has now become the most aspiratory premium mild beer in the country and Heineken is now the fastest growing brand in our company's portfolio as a world-class super premium beer.

Our company, of course, continues its recognized efforts to keep the Kingfisher brand in the forefront of the consumers mind through associations built up over many decades in areas such as Sports, Food, Music and Fashion. Association of our brands with premier events which capture the fancy of young Indians such as IPL Cricket, Kingfisher Derby, Formula 1 Motor Racing, Marathons in Mumbai, Delhi and Bangalore – all add to the demand pull. The Kingfisher Calendar remains one of the most sought after events in the country's social calendar and the Great Indian Oktoberfest is a much loved opportunity for consumers to be part of a global cultural heritage.

Much as our company is known for its marketing prowess, our profitability is sustained by tight cost controls and manufacturing innovations. Obviously, with the healthy volume growth on an already large base of over 147 million cases, it is incumbent upon our company to invest



continuously both in capacity and technology. During the year the Greenfield brewery near Patna in Bihar has commenced operations and in Rajasthan we have expanded our supply base by the acquisition of brewing assets near Shahjahanpur, which will commence production later this year.

United Breweries has been recognized within the Heineken's global network for the consistent high quality of its products and this is a tribute to the unstinting efforts of our manufacturing team.

In the brewing industry, packaging, particularly bottles, constitute a major cost. The strategy of introducing patented embossed bottles is a major driver of cost control which continues to reap dividends over the years. Long term contracts for new technology, light weight bottles and locally manufactured aluminum cans have helped also to lock in cost advantages in a highly inflationary environment.

Total productivity management and focus for every aspect have also yielded advantages through energy savings and water savings.

Our company has long recognized that the communities we operate in are, in fact, a part of our business and we have been doing much to improve quality of life, well long before the whole concept of Corporate Social Responsibility gained legal mandate. Not only do we continue to be involved deeply in Education and Healthcare, within the communities that we operate in but some of our initiatives on energy saving and use of water have received international acclaim and recognition. Several of our breweries have, during the year, received recognition and awards from State Governments as well as by international organizations.

Human Resources are an important part of our business and I am pleased to record the very harmonious relationship that our company has both with management staff as well as the workers and continues to focus on a transparent manpower model that benefits all categories of employees on a continuous basis.

While I have talked in the previous paragraphs about the positive underlying trends in the industry in general and the proactive steps taken by our company to take advantage of the same, it is also necessary to caution on several fronts.

The single largest constraint to profitability remains the intrusive Government regulations and erratic, often unexplained changes to both regulations and taxation. In most parts of the world beer is the preferred beverage of choice particularly for young consumers and internationally ranks 3rd among all beverages after water and tea. In India, decades of perverse taxation policy that equates spirits and beer has resulted in beer being prohibitively expensive as a share of the consumer's wallet. This has consistently led to the size of the beer market being much smaller than its corresponding shares in almost every other country in the world. It has driven and continues to drive our youngsters to prefer hard alcohol with attendant moral and social consequences in preference to beer which is a low alcohol social beverage.

Our company and I in particular, have been in the forefront of efforts to educate the State Government on the need for a rational regulatory and taxation policy which will also bring long term benefits to our citizens. One of the landmark economic legislations which is expected to improve the ease of doing business in India and truly put in place a common market among Indian states is the planned Goods and Service Tax. This historic legislation has been caught up in political infighting. Even as I write this, this bill is stalled in Parliament, thus depriving the country of what most economists estimate would be a 1% boost to GDP. It is particularly concerning for our industry that an effort appears to be made to exclude some industries most prominently the beverage alcohol industry from the ambit of GST. This will lead to the continued balkanization of Indian states in the industry and impose punitive costs on us. As a long standing advocate of a vibrant India, growing on the back of world class products and services, I end with a note of optimism both for the nation and for the business of our company.

My personal appreciation to all who have striven to make us proud and trust that we have many more milestones to cross in the years ahead.

Thank you.



VIJAY MALLYA
CHAIRMAN

Directors' Report

Your Directors have pleasure in presenting this Annual Report on the business and operations of the Company and the audited accounts of United Breweries Limited ('UBL' or 'your Company' or 'the Company') for the Financial Year ended March 31, 2015 ('the year under review', 'the year' or 'FY 15').

FINANCIAL SUMMARY

Financial performance for the year ended March 31, 2015 is summarized below:

(Amounts in Rupees million)

FINANCIAL RESULTS

	Year ended March 31	
	2015	2014
Net Turnover	47,299	42,506
EBITDA	6,584	6,116
Depreciation and amortization	2,074	1,977
EBIT	4,510	4,139
Interest	730	798
Provision for Diminution in investment in Subsidiary	—	—
Profit before Taxation	3,780	3,341
Provision for Taxation	(1,184)	(1,085)
Profit after Tax available for appropriation	2,596	2,256
<u>Appropriations:</u>		
Proposed dividend on Equity Shares (including taxes thereon)	318	278
Dividend on Preference Shares paid (including taxes thereon)	27	26
Transfer to the General Reserve	260	226
Transfer to Capital Redemption Reserve	741	—
Depreciation Adjustment	72	—
Balance your Directors propose to carry to the Balance Sheet	1,178	1,726
Total appropriations	2,596	2,256

EBITDA for the year under review stood at Rs.6,584 million as compared to Rs.6,116 million in the previous year, reflecting an increase of 8%. This growth in EBITDA is to a large extent the result of our ability to increase prices in open markets, improve our product mix, volume growth and the effective management of input cost, fixed costs and overheads.

Interest paid during the year amounted to Rs.730 million and was comparable to the amounts paid in the previous year. Depreciation for the year was Rs.2,074 million as compared to Rs.1,977 million in the previous year.

Profit before Taxation for the year stood at Rs.3,780 million as compared to Rs.3,341 million in the previous year, reflecting an increase/decrease of almost 13%. Profit after Taxation finally resulted in an amount of Rs.2,596 million as against Rs.2,256 million in the previous year.

DIVIDEND

We take pleasure in proposing a dividend of Re.1/- per Equity Share of Re.1/- each for the year ended March 31, 2015. The dividend declared for the previous year was Re.0.90 per Equity Share of Re.1/- each.

The Company paid a dividend on Cumulative Redeemable Preference Shares ('CRPS') at the rate of 3% under the terms of the issue of 7.4 million CRPS held by Scottish & Newcastle India Limited, amounting to Rs.27 million. The outstanding CRPS have been redeemed on March 31, 2015 on its due date.

The total dividend (including dividend tax) is Rs.318 million, which amounts to about 12% of the Profit after Tax.

RESERVES

Your Company proposes to transfer Rs.260 million to the General Reserve. Redemption of CRPS was carried out after transfer of profits to Capital Redemption Reserve in terms of applicable regulations.

CAPITAL

The Authorized Share Capital of the Company stands at Rs.9,990 million, comprising Equity Share Capital of Rs.4,130 million and Preference Share Capital of Rs.5,860 million. The Company has redeemed 74,07,000 Series-B, Cumulative Redeemable Preference Shares of Rs.100 at par on March 31, 2015 as per the terms of allotment. Post such redemption, the Issued, Subscribed and Paid-up Share Capital of the Company as on March 31, 2015 stood at Rs.264.4 million comprising 26,44,05,149 Equity Shares of Re.1 each.

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Overview

The Indian beer market continues to grow in line with expectations. Industry volumes grew at a Compounded Annual Growth Rate (CAGR) of 8% during the last five years. During the year 2014-15, the Indian beer market grew 8%, to reach 280 million cases. The strong beer segment continues to lead the growth and is now estimated to account for 85% of the beer market. Apart from this, the premium beer segment continues to grow at about 30%.

In most countries, beer is the preferred alcoholic beverage, and one that has been consumed for several centuries. After water and tea, it is the third most popular beverage. Compared to the global per capita statistical average consumption of about 7 litres, the per capita consumption in India is below 2 litres. The global beer market is dominated by Europe and other western markets, where the growth of the beer market is expected to be moderate or even flat. However, the scope for growth in India and other Asian countries continues to remain positive given the warm climate, young demographics and increasing disposable income.

The Indian alcoholic beverages market is predominantly a hard liquor market. Though the industry in India has been dominated by spirits (IMFL and country liquor) and Beer comprises just five per cent of the total alcohol consumed in India. However, recent surveys show that beer is the preferred alcoholic beverage for young modern Indians and hence it is one of the fastest growing segments of the industry. It has registered robust growth in the last 10 years. From a total industry consumption of about 100 million cases in 2005, the consumption has nearly tripled to 280 million cases in 2015. Two leading players contribute over 70% of the total industry sales, with our company being the market leader with a market share of about 51% and sales of 147 million cases in FY 2014-2015.

United Breweries Limited is successfully dealing with the challenges of the industry and outpaced several global beer brands that have entered India in the recent past. In the process, it has increased and consolidated its market share.

On the basis of alcohol content, beer in India can be categorized into Strong and Mild Beers. Strong beer which has an alcohol content between 6% and 8% dominates the beer market accounting for over 85% of the total beer consumed in India, reinforcing its popularity and preference. The premium beer segment within both the strong and mild beer categories has been growing faster than the overall beer industry, and has grown at a Compounded Annual Growth Rate (CAGR) of almost 30 per cent over the last two years.

The Industry remains highly regulated with a variety of taxes being levied at each point of sale and on cross border movements. Besides, in many parts of the country, wholesale and/or retail distribution is controlled by State Governments monopolies. Moreover, in about 70% of India, State Governments dictate the price at which beer can be sold. As the economy develops, disposable incomes will keep rising. In combination with the young demographics and warm climate of the country, we believe in the long term growth prospects of the beer market notwithstanding the constraints mentioned above.

The Indian Government has been considering to introduce a harmonized Goods and Services Tax (GST) regime for a number of years now. So far the terms of this law have not been concluded. Most notably, there is a likelihood that the alcoholic beverages industry may be excluded from GST altogether, though exclusion of an industry is against the foundation of GST and would not achieve the stated objective of creating a uniform market with uniform taxes.

The GST is a humongous reform that will alter the very face of fiscal federalism in India bringing about a fundamental shift in the allocation of taxation powers between the Centre and the States. It repeals the powers to levy duties/taxes unilaterally and replaces them by the concurrent powers to levy the dual GST through a collective body, the GST Council thereby putting an end to ad hoc and whimsical policymaking and non-transparent tax administration. However, the exclusion of certain sectors including alcohol from the scope of GST would mean no setoff would be allowed for the GST charged on raw materials, machinery and equipment etc. in respect of excluded sectors resulting in loss of investment and productivity. This will negate the boost in GDP that GST could provide and the negative effects thereof would be felt in excluded sectors. A good and simple GST should ideally be imposed on all sectors.

Sales and Marketing

Our national market share in FY15 has exceeded 51%, which is double the size of the nearest competitor.

Kingfisher Strong continues to lead the Indian beer market with a market share of 39.4% in strong beer category. Kingfisher Premium continues to grow market share and is the first choice for mild beer consumers across the country. Kingfisher Ultra crossed 1.42 million cases sales in FY15 and commands a market share of 3.1% in super premium category. It has become the most aspirational super premium mild beer in the country and is ubiquitously present all over India.

Heineken is the fastest growing brand in our company's portfolio, and is now available in over 15 states in the country. The brand has established itself in India as a world class super premium beer, with a focus on international marketing platforms like the UEFA Champions League football, James Bond and Music.

Net sales for the year ended March 2015 stood at Rs.46,923 million as against Rs.42,355 million in the previous year, registering a growth of 11%. Our strong beer portfolio achieved 112.7 million cases in sales in the FY15 setting a new benchmark. Kingfisher Strong achieved 94.5 million cases in sales.

The Company maintains sustainable investment in brand building activities for Kingfisher in the fields of Sports, Food, Music and Fashion. We have a significant and market leading presence in the Indian Premier League T20 Cricket Tournament, Kingfisher East Bengal Football Club, the Kingfisher Derby, Formula One Racing, Mumbai Marathon,

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Delhi Half Marathon, and the World 10K Race in Bengaluru. Our association with restaurants/bars/pubs/clubs/star hotels/night clubs remains uninterrupted. The Kingfisher Calendar, which is as always preceded by the hunt for the Kingfisher Supermodels on NDTV has grown in popularity and reach and we also continue to partner with national and city based fashion weeks across the country. The Great Indian Octoberfest, which was held in Bengaluru continues to draw a huge number of visitors with a combination of international rock bands, famed DJs, Bollywood artists, flea markets, and consumer contests.

In 2014 Kingfisher has been selected as one of the 100 most valuable brands for its credibility and huge customer following by the World Consulting and Research Corporation.

During the period under review, the Company has spent 17% of net sales on selling and brand promotions, which is comparable to the previous year. The selling and promotion expenses stood at Rs.7,750 million.

Supply Chain

Our manufacturing expenses for the FY15 amounted to Rs.19,091 million, representing 40.68% of net sales, as against Rs.17,491 million in the previous financial year, which constituted 41.3% of net sales. The relative decrease is due to tight cost control in the manufacturing process in an environment with relatively high inflation.

To cater to the increasing demand for our products, we have further expanded our capacity with the greenfield brewery near Patna in Bihar that has commenced operations in the course of the year. With the opening of this new brewery further cost advantages will be achieved as a result of us being close to our Bihar market. To further augment capacities in Rajasthan, we have acquired brewery assets in a strategic location near Shahjahanpur which will commence production later this year following refurbishment and overhaul. UBL will continue to expand capacity either at its existing breweries or by acquisition or building of new ones where required.

Bottles remain the biggest cost element. Reuse of bottles which contain our trademarks and design registration can be used by us exclusively and have resulted in stability in supplies and containment of cost since its introduction. We will continue to infuse new bottles into the market in order to secure availability of sufficient bottles for production and to obtain further efficiencies in the overall cost of packaging. Since bottles contain our brand names and logo, they cannot be used by other brewers and are to be necessarily supplied back to UBL. This strategy has seen positive results, with the cost of recycled patented bottles being significantly lower when compared to the earlier practice which was based on usage of standard "Industry" bottles.

We have successfully entered into a long term contract with an international glass supplier, whose new plant was commissioned in India in April 2014. This has helped us ensure sufficient supplies and capture cost advantages. Similarly a long term arrangement for supply of Cans has ensured sustainable cost advantages.

Pan-India, necessary infrastructure has been built up to automate handling operations of key raw materials like malt, adjuncts and sugar. Bulk handling systems have been commissioned in our key units.

In an effort to secure deliveries, improve service levels and meet all opportunities in the market, we have invested in dedicated vehicles in key locations with GPS facility ensuring transport of our finished goods and ferry of used bottles during its return haul. Inflation has fueled increase in input costs thereby leading to an increase in the cost price of beer particularly on account of barley prices. A sudden appreciation of dollar vis-à-vis rupee has resulted in an increase in cost of Cans and Hops. Aluminum is imported for the making of Cans by our vendors. Various energy saving initiatives as well as dedicated power feeders, has helped in reducing energy cost at our breweries thereby offsetting inflationary push on energy. The initiatives on efficient operation in breweries ensured reduction of raw material wastage by about 10% thereby improving recoveries. The focus on Total Productivity Management has helped breweries improve throughputs and line efficiencies.

Research and Development

Your company's technology function continues to support our growth strategy with a focus on new capabilities and technology development, the development of new products, enhancement of existing products and productivity improvement and cost reduction.

Human Resources

In order to enhance the competitive advantage and create a transparent and open working environment, your Company's main focus has been on people development. Anchoring developmental conversations at every level and ensuring that all managers are skilled in holding developmental conversations, has received senior management attention. Several initiatives for continuous and prompt feedback have been established for Senior Leadership Team. The HR Strategy continues to aim at talent acquisition, development, motivation and retention. The HR team effectively assists in integrating and aligning all people to business priorities.

Employee Relations continues to be a principal focus of your Company and several initiatives were rolled out for promoting the core value of being a trusted, fair and caring employer. Your company has enjoyed extremely cordial relations with its employees and workers. Industrial Relations continued to be harmonious and peaceful at all levels and at all locations of the company.

Your Company employs 2896 people across all locations. We have not offered any stock option to the employees during the year under review. All the wage agreements have been renewed in a timely manner and are all valid and subsisting. Operatives and 'unions' support in implementation of reforms that impact quality, cost erosion and improvements in productivity across all locations which is commendable.

Total employees benefit expenses for the year stood at Rs.2,974 million, as compared to Rs.2,595 million in the previous year. This constituted 6.34% of net sales. Employee benefit expenses were higher on account of revision in actual valuation assumptions.

CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY

Corporate Social Responsibility is based on the principle of "trusteeship" whereby business houses are looked upon as trustees of the resources they draw from society and thus are expected to return them to the society manifold. CSR is extremely important for sustainable development of all stakeholders. Proponents of CSR argue that CSR distracts from the economic role of businesses, nevertheless, the importance of CSR cannot be undermined.

As a responsible corporate citizen focused on inclusive growth, United Breweries Limited has been steadfast in following a proactive policy on Corporate Social Responsibility (CSR). Your Company has been engaged in focused initiatives aimed at upliftment of the communities residing in the vicinity of its brewing facilities. We at UBL believe that the communities where we operate are an integral part of our business and therefore it is our responsibility to give support in achieving larger societal goals in the interest of public at large and the communities in which we operate. The Company is not only committed towards profitable growth but also towards social initiative, protection of environment and renewal of resources where possible.

Your Company has also laid down clear guidelines in its CSR policy for undertaking comprehensive social development programs under identified thrust areas viz. primary education, primary health and water management. The CSR Policy of the Company is posted on its website www.unitedbreweries.com and is available through the link www.unitedbreweries.com/investors/policies.

A detailed Report on various aspects of CSR activities at UBL and the CSR activities undertaken by your Company is included in the Business Responsibility Report which is annexed as **Annexure - A** to this report. The said report in the format prescribed under the Listing Agreement is attached as **Annexure - B**. Annual report on CSR activities in terms of the Companies Act, 2013 and the Companies (Corporate Social Responsibility) Rules, 2014, is annexed as **Annexure - C**.

The Company is in the process of structuring its existing CSR activities, areas of operation and also identifying larger projects within the chosen area of CSR operation so that impact/benefits available for the people is on a larger scale. Amounts earmarked shall be spent on few larger projects instead of smaller projects. Therefore, your Company could not spend the prescribed minimum of average profits on CSR activities during the year. However, your Company is not only committed towards profitable growth, but also towards social initiatives, protection of environment and renewal of resources where possible.

Sustainability

Towards sustainability your Company has undertaken proactive measures in water consumption, rain water harvesting, reducing energy usage thereby reducing the carbon foot print, energy and fuel consumption.

Awards in the field of CSR and Sustainability

UBL's Palakkad brewery won the first place under the "Medium Scale Category A" award from Kerala State Pollution Control Board for pollution control. UBL's brewery in Hyderabad was bestowed the "Green Manufacturing Excellence Awards 2014" under the category Challengers Award-Medium Business from Frost & Sullivan's. UBL has received awards for their three units located at Hyderabad, Chennai and Nanjungud under Food Safety Management Systems certifications towards providing consumers excellent quality products.

OPPORTUNITIES, THREATS, RISKS & CONCERNS

In the FY 2014-15, industry grew 8% in line with growth expectations to cross a volume of 282 million cases. The per capita consumption in India remains low at about 1.8 litres. This is far below the global average and indicates potential for long term growth. In terms of revenue, beer accounts for only 7% of the Indian alcoholic beverage market and it is a mere 5% of the global average in per capita consumption terms. This low penetration in beer consumption in comparison to international levels offers an opportunity for substantial growth in the coming decades.

Increased urbanization and evolving consumer attitudes towards alcohol consumption will provide further levers for growth. With urban consumers being more exposed to different lifestyles, there has been a positive shift in consumer behaviour towards alcohol consumption. Social habits are undergoing a transformation and with further urbanization, the acceptance of beer as a keenly acceptable refreshment will further increase, even as we focus on responsible consumption of alcohol. The Indian beer market is one of the fastest growing in the world today and with the aforementioned growth drivers in place, an extended period of growth can be expected.

Despite drivers of growth being in place, government intervention in distribution, high taxation, restricted communication, and increased cost of raw materials are some negatives that the industry faces. Regulation and taxation of alcoholic beverages is a state subject with different policies and regulations in almost every state. Extremely high levels of regulation result in lengthy and cumbersome processes for obtaining licences for manufacture, distribution and sale of beer. Specific regulations on cross border movements, retail sales and pricing make the operating environment even more challenging. The cost of beer is much higher in India than in most other countries when benchmarked to per capita incomes. Even though beer contains only 5-7% of alcohol by volume and spirits contain over 40% of alcohol, both are for historic

reasons considered as liquor under the various State Excise policies and taxed on a similar basis. This is the key reason for the price of beer being very high in comparison to the price of spirits on an equivalent alcohol basis.

The industry faces challenges in the form of ban on direct advertising and very poor state of market infrastructure. Due to the industry being under the purview of individual states, the industry struggles with multiplicity of taxes and lack of uniformity in regulations.

However, it is expected that the Indian beer market will continue to grow steadily, driven by urbanization, increase in disposable incomes and preference of the younger generation for mild alcoholic beverages, even as social acceptance for beer increases. United Breweries Limited has maintained its clear market leadership in the Indian beer market, overcoming the challenges of the highly regulated industry and increasing competition from global brewers.

Prospects

Our Company is the leading player in the industry with a market share of about 51%. Effective marketing strategies have helped us reinforce our position as the clear market leader in the country. Our flagship brand, Kingfisher is almost synonymous with beer in India.

Despite many challenges, the Indian market leaves a sea of opportunities with its extremely low per capita consumption when compared to other countries in the world like China and US which consume 37 litres and 78 litres of beer per person per annum, as compared to about 1.8 litres in India. We believe that favorable demographics, rising disposable incomes, urbanization and rising acceptability of drinking will bring the winds of change for the industry. Beer industry is expected to grow at about 10% year on year and reach a size of about 450 million cases by 2020.

The strength of the beer industry in being recession proof is reinforced by the fact that the alcohol consumption generally remains unaffected by economic swings. Also, what augurs well for the Indian beer industry is our large population and the fact that over 50% of the population is under 25 years of age. India is expected to overtake China to become the most populous nation in the world by 2025. All this will result in India reaping a huge demographic dividend.

With a relatively younger population and rising income levels, India is seeing an increase in acceptance of beer as a lifestyle product. Growth in the sector has also been fuelled by the increasing social acceptability of mild alcohol consumption. Consumer acceptance of beer has led to innovations, such as new products introductions and success of brewpubs selling freshly brewed beer in cities like Bengaluru, Gurgaon and Pune. Growth in premium modern trade and on-premise outlets in metropolitan cities has increased the range of availability of products and improved the retail environment. Some state governments, notably Maharashtra, Uttar Pradesh and Kerala, offer separate licenses for beer sale further boosting growth prospects for the industry.

Your Company has invested significantly in brand visibility to sustain its "top of mind" recall with consumers. High profile sponsorships and brand activations have ensured that your Company's brands, especially Kingfisher, retain their iconic status. The company has a strong route to market combined with a portfolio of market leading brands.

We have through a series of strategic investments, taken steps to enhance our leadership in the industry in this unfolding scenario. Your company continues to invest in both capacities and brands. Though already established efficiency programs apply to all aspects of our business, there is a constant drive towards continuous identification of new ways of improving organizational capabilities and speed, whilst reducing cost.

To meet the growing demand, to offer high quality beer, and maintain our market leadership position, your company also proposes to continuously invest in technology and enhance capacity. To cater to the increasing demand, your Company has set up a state of the art greenfield brewery in Patna, Bihar with a capital investment of about

Directors' Report contd.

200 crores. This brewery has been made operational from April 2015. To augment capacities in the state of Rajasthan, the Company has acquired brewery assets in a strategic location. Your Directors are hopeful that your Company will sustain its leadership position, grow ahead of the market and realize continuous growth and improve its profitability in the years to come.

Even in a highly competitive scenario, your Company has not only successfully overcome the challenges of the industry, but also outpaced several global beer brands that have entered India in the recent past and has constantly maintained its leadership position.

Risk Management

Your Company believes that Risk aversion is a control action taken to avoid or eliminate the risk, regulate or modify the activities to reduce the magnitude and/or frequency of adverse effects.

Risk management is a core part of the financial and operational management of your Company. It is effected through a "Three Lines of Defence model", where the local operational units and the functions, with their local/functional set of internal controls and local risk identification and mitigation serve as the first line; the centralized controls and IT-systems integrated controls, Internal and Legal Audit and the central Planning & Reporting and risk assessment processes serve as the second line of defence and finally the independent Statutory Audit, the Board and it's Committee are the third line of defence.

Risk Management is the essence of an organization and management of risk is fundamental to being able to generate profits consistently and sustainably. Risk management at UBL is directed to the effective implementation and functioning of Governance and Internal Controls and the effective management of Risks. The onus of identifying the critical business risks and implementing fit-for-purpose risk responses is delegated to the Management through the implementation of the Risk Management Policy.

Your Company has constituted a Risk Management Committee comprising of senior Board members. An Assurance Committee comprising Executive Directors and functional Heads has also been constituted inter alia to review the risks identified, preparing the risk matrix and actions of mitigation taken. The Risk management committee has laid down procedure for risk assessment, identification, minimization and mitigation process which are presented to the Audit Committee and the Board of Directors on a periodical basis. The Company has also formulated a Risk Management Policy to identify the elements of risk and mitigation thereof. This policy is evolved to manage business risks. To achieve the objective, risk assessment is performed in which strategic risk, operative risks, including information technology risks, external risks and other risks are considered and risk mitigating factors are identified.

Internal control system

Your Company has established a robust system of internal controls to ensure that assets are safeguarded and transactions are appropriately authorized, recorded and reported. Internal Audit evaluates the functioning and quality of internal controls and provides assurance of its adequacy and effectiveness through periodic reporting. Our internal control system is robust and is routinely tested and certified by internal auditors. The process adopted provides reasonable assurance regarding the effectiveness and efficiency of operations, reliability of financial reporting and compliance with applicable laws and regulations.

In order to continuously upgrade the internal control system, to be in line with international best practices and to ensure proper corporate governance, your Company has implemented risk assessment, control self-assessment and legal compliance management. These have been updated during the year under review.

The internal control system evaluates adequacy of segregation of duties and reliability of management information systems, including controls in the area of authorization procedures and steps for safeguarding assets. Periodic reviews are carried out for identification of control deficiencies and opportunities for bridging gaps with best practices along with formalization of action plans to minimize risks.

The Company believes that the overall internal control system is dynamic, and reflects the current requirements at all times, hence ensuring that appropriate procedures and controls, in operating and monitoring practices are in place.

Internal Audit reports to the Audit Committee and recommends control measures from time to time.

OTHER INFORMATION

Subsidiary Companies

Maltex Malsters Limited is the only subsidiary in which your Company holds 51% of equity capital. Maltex Malsters Limited is a non-listed entity and is not a material non-listed subsidiary as defined in Clause 49 of the Listing Agreement. UBL has formulated a policy for determining material subsidiaries which is placed on the website of the Company and is available through the link www.unitedbreweries.com/investors/policies.

The consolidated financial statement of the company including financial statement of its subsidiary forms part of this Report in terms of the Companies Act, 2013 and the Listing Agreement with Stock Exchanges. A statement containing the salient features of the financial statement of the subsidiary/associate is attached as **Annexure - D** to this Report.

Cash Flow Statement

A Cash Flow Statement for the year ended March 31, 2015 is appended.

Particulars of Loans, Guarantees or Investments under Section 186 of the Companies Act, 2013

Details of loans, guarantees and investments covered under section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

Listing requirements

Your Company's Equity shares are listed on the BSE Limited (formerly Bombay Stock Exchange Limited) and National Stock Exchange of India Limited. The listing fees have been paid to all these Stock Exchanges for the year 2015-2016. The Bangalore Stock Exchange has been derecognized under the relevant provisions of the Securities and Exchange Board of India Act, 1992 and the Securities Contracts (Regulation) Act, 1956.

Depository System

The trading in the equity shares of the Company is under compulsory dematerialization mode. Your Company has entered into Agreement with National Securities Depository Limited and Central Depository Service (India) Limited in accordance with the provisions of the Depositories Act, 1996 and as per the directions issued by the Securities and Exchange Board of India. As the depository system offers numerous advantages, members are requested to take advantage of the same and avail of the facility of dematerialization of the Company's shares.

Deposits

There were no outstanding deposits at the end of the previous financial year. The Company has not invited any Deposits during the year.

Additional statutory information

Particulars of Employees & Managerial Remuneration

Information required under sub-section (12) of Section 197 of the Companies Act, 2013 read with Rule 5(2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, in respect of employees of the Company, forms part of this Report. Details of remuneration of managerial personnel as required under sub-section (12) of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 also forms part of this Report.

In terms of first proviso to sub-section (1) of Section 136 of the Companies Act, 2013, the reports and accounts are being sent to the shareholders excluding the aforesaid information. Any shareholder interested in inspection of the documents pertaining to above information or desires a copy thereof may write to the Company Secretary.

Cautionary Statement

Statements in this Report, particularly those which relate to 'Management Discussion and Analysis' and 'Opportunities, Threats, Risks and Concerns', describing the Company's objectives, projections, estimates and expectations, may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results might differ materially from those either expressed or implied.

Employees Stock Option Scheme and Sweat Equity Share

The Company has not offered any shares to its employees or Key Managerial Personnel under a scheme of Employees' Stock Option and has also not issued any Sweat Equity Shares at any time.

Related Party Transactions

Details of transactions with related parties as specified in the Companies Act, 2013 and the Rules framed thereunder, the Listing Agreement and the Accounting Standard 18 of the Companies (Accounting Standards) Rules, 2006, have been reported in the Notes to financial statements. Approval of the Audit Committee and the Board of Directors as required under the Listing Agreement and the Companies Act, 2013 has been obtained for such transactions.

The Company has formulated a policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions which is placed on the Website of the Company and is available through the link www.unitedbreweries.com/investors/policies.

All transactions entered by the Company during the FY15 with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company has not entered into any transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions.

Familiarization programme for Independent Directors

The existing Board comprises of Executive, Independent and Non-Executive Directors who have been at the helm of Management of the Company for several years and are fully conversant with the business and operations of the Company. The Familiarization program for new Directors as and when inducted shall aim to familiarize them with the company, their roles, rights, responsibility in the Company, market, business model of the Company etc. The existing Board of Directors have complete access to the information within the Company.

Presentations are regularly made to the Board of Directors/Audit Committee/Nomination & Remuneration Committee on various related matters, where Directors get an opportunity to interact with Senior Managers. The Company has issued appointment letters to the Independent Directors which also incorporates their role, duties and responsibilities.

Whistle Blower Policy

The Company has adopted vigil mechanism which is a channel for receiving and redressing of complaints about any misconduct, actual or suspected fraud, actual or potential violations of the Company's code of conduct and any other unethical, unlawful or improper practices, acts or activities within the Company. The Company has formulated a Whistle Blower Policy for Employees & Directors and has ensured adequate safeguards against victimization of whistleblowers. The details of establishment of vigil mechanism are disclosed on the Website of the Company.

None of the Employees & Directors have been denied access to the Chairman of the Audit Committee.

Conservation of Energy

The company is taking continuous steps to conserve energy. Its "Sustainability" initiatives are disclosed separately as part of this Annual Report.

Details of the conservation of energy, technology absorption, foreign exchange earnings and outgo, as required under Clause (m) of sub-section (3) of Section 134 of the Companies Act, 2013 read with The Companies (Accounts) Rules, 2014 is annexed as **Annexure - E** to this report.

Code of Business Conduct and Ethics

The Board of Directors of your Company have adopted a Code of Business Conduct and Ethics in terms of Clause 49 of the Listing Agreement which has been posted on the website of the Company i.e. www.unitedbreweries.com.

Code for Prevention of Insider Trading

Your Company has adopted a comprehensive 'Code of Conduct to Regulate, Monitor and Report of Trading by Insiders' and also a 'Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information' under the provisions of the Securities Exchange Board of India (Prevention of Insider Trading) Regulations, 2015.

Directors

The Board of Directors of your Company comprise of twelve Directors, with a balanced combination of Independent and Promoter Directors.

Dr. Vijay Mallya retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Mr. Duco Reinout Hooft Graafland and Mr. Roland Pirmez, Heineken Nominee Directors resigned from the Board and in their place Mr. Sijbe Hiemstra and Mr. Frans Erik Eusman have been appointed as Additional Directors with effect from July 23, 2015 and August 01, 2015 respectively.

Mr. Shekhar Ramamurthy replaces Mr. Kalyan Ganguly as Managing Director effective August 01, 2015. The Managing Director, Chief Financial Officer and the Company Secretary are Key Managerial Personnel in terms of the Companies Act, 2013.

Independent Directors viz., Mr. Chhaganlal Jain, Mr. Chugh Yoginder Pal, Mr. Sunil Alagh, Ms. Kiran Mazumdar Shaw, Mr. Madhav Bhatkuly and Mr. Stephan Gerlich have been appointed for a period of five years till September 03, 2019.

Declaration from Independent Director

All Independent Directors have given declaration that they meet the criteria of Independence as laid down under Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

Meetings of the Board of Directors and Committees of the Board

The meetings of the Board and Committees are pre-scheduled and a tentative calendar of the meetings finalized in consultation of the Directors is circulated to them in advance to facilitate them to plan their schedule. In case of special and urgent business needs, approval is taken by passing resolutions through circulation. During FY 15, four (4) Board Meetings were held. Other details including composition of Board and various Committees and Meetings thereof held in FY 15 are given in the Corporate Governance Report forming part of this Report.

Audit Committee

The Audit Committee of the Board of Directors is constituted to act in accordance with the terms of reference and perform roles, as prescribed under the Companies Act, 2013 and Clause 49 of the Listing Agreement. The composition of the Audit Committee, its terms of reference, roles and details of meetings convened and held during the year under review is given in Corporate Governance Report forming part of this Report.

During the year, all the recommendations of the Audit Committee were accepted by the Board.

Nomination and Remuneration Committee

Nomination and Remuneration Committee is constituted to act in accordance with the terms of reference and perform roles, as prescribed under the Companies Act, 2013 and Clause 49 of the Listing Agreement. The composition of the Nomination and Remuneration Committee, its terms of reference, roles and details of meetings convened and held during the year under review is given in Corporate Governance Report forming part of this Report.

Evaluation Mechanism for Directors, Policy on Directors appointment and Remuneration of Directors/Key Managerial Personnel

The Nomination and Remuneration Committee of the Board of Directors has formulated a Performance Evaluation Policy inter alia prescribing an evaluation criteria for the Independent Directors and the Board of Directors of the Company. The Policy also lays down criteria for appointment of Directors and the remuneration of Directors/Key Managerial Personnel. The Policy is available through the web-link: www.unitedbreweries.com/investors/policies.

In line with corporate governance requirement, evaluation of all Board Members is done by the Independent Directors. The evaluation focuses on the performance and effective functioning of the Board, Committees of the Board, participation. The evaluation process also considers the time spent by each of the Board Members, competencies and accomplishment of specific responsibilities and expertise.

Foreign Exchange Earnings and Outgo

During the FY 15 total foreign exchange earnings of the Company stood at Rs.467 Lakhs (Previous Year Rs.271 Lakhs) and foreign exchange outgo stood at Rs.16,808 Lakhs (Previous Year Rs.12,350 Lakhs).

Corporate Governance Report

A Report on Corporate Governance forms part of this Report along with the Certificate from the Company Secretary in Practice.

Annual Return

As required under sub-section (3) of Section 92 of Companies Act, 2013 and Rule 12(1) of Companies (Management and Administration) Rules, 2014, an extract of Annual Return in Form MGT-9 is annexed as **Annexure - F** to this report.

Auditors and the Auditor's Report

In terms of the provisions contained in the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, Messrs S R Batliboi & Associates LLP, Chartered Accountants were appointed Statutory Auditors of your Company at 15th Annual General Meeting held on September 04, 2014 for a period of three years i.e. from the conclusion of 15th Annual General Meeting till conclusion of 18th Annual General Meeting. Their appointment in the office of Statutory Auditors during the said period is subject to ratification by Members at every Annual General Meeting.

There are no qualifications or adverse remarks in the Auditors' Report which requires any clarification or explanation.

Secretarial Audit

Pursuant to the Section 204 of the Companies Act, 2013 and Rule 9 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Sudhir Hulyalkar, Company Secretaries, to undertake Secretarial Audit of the Company for the FY 15. The Secretarial Audit Report forms part of this Report and is annexed as **Annexure - G**.

There are no qualifications, reservations or adverse remarks in the Secretarial Audit Report.

Details of significant and material orders

No order has been passed or stringent action taken by any regulator or court or tribunal impacting the going concern status of the Company. The Company has complied with the requirements of the regulators on matters related to stakeholders, as applicable.

Directors' Responsibility Statement

Pursuant to clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, your Board of Directors report that:

- (a) in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- (c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Directors have prepared the annual accounts on a going concern basis;
- (e) the Directors have laid down internal financial controls to be followed by the Company and ensured that such internal financial controls are adequate and were operating effectively, and
- (f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and ensured that such systems were adequate and operating effectively.

ACKNOWLEDGEMENTS AND APPRECIATION

Your Directors take this opportunity to thank UBL's customers, shareholders, suppliers, bankers, business partners and associates, financial institutions and central and state Governments for their consistent support and encouragement to the Company. Finally, Your Directors are proud in conveying their sincere appreciation to all employees of the Company for their hard work and commitment.

By Authority of the Board

July 22, 2015
New Delhi

Kalyan Ganguly
Managing Director

Henricus Petrus van Zon
Director and CFO



UNITED BREWERIES LIMITED

Corporate Governance Report

As Manifested in the Company's vision, United Breweries Limited (UBL) has always strived for excellence in Corporate Governance. Beyond mere compliance, we are committed towards taking all strategic initiatives to enhance Shareholders' wealth in the long term. In pursuit of corporate goals, the Company accords high importance to transparency, accountability and integrity in its dealings. Our philosophy on Corporate Governance is driven towards welfare of all the Stakeholders and the Board of Directors remains committed towards this end.

The Board of Directors supports the broad principles of Corporate Governance and lays strong emphasis on its role to align and direct the actions of the Company in achieving its objectives.

BOARD OF DIRECTORS

Your Company is managed and controlled through a professional Board of Directors. The Board comprises of a balanced combination of non-Executive and independent Directors in addition to the Managing Director (MD) and the Chief Financial Officer (CFO). Your Company's Board consists of eminent persons with considerable professional expertise and experience.

Chairman

Dr. Vijay Mallya

Executive Directors

Mr. Kalyan Ganguly (Managing Director) *
Mr. Henricus Petrus van Zon (Director & CFO)

Non – Executive Directors

Mr. A K Ravi Nedungadi
Mr. Duco Reinout Hooft Graafland**
Mr. Roland Pirmez ***

Senior Vice President – Legal & Company Secretary

Audit Committee

Mr. Chugh Yoginder Pal	Chairman
Mr. Sunil Alagh	Member
Mr. Chhaganlal Jain	Member

Nomination and Remuneration Committee

Mr. Sunil Alagh	Chairman
Mr. Chugh Yoginder Pal	Member
Mr. Chhaganlal Jain	Member
Mr. A K Ravi Nedungadi	Member
Mr. Roland Pirmez ***	Member

Risk Management Committee

Dr. Vijay Mallya	Chairman
Mr. Kalyan Ganguly *	Member
Mr. Henricus Petrus van Zon	Member
Ms. Kiran Mazumdar Shaw	Member
Mr. Chugh Yoginder Pal	Member
Mr. Chhaganlal Jain	Member
Mr. Madhav Bhatkuly	Member

Share Transfer Committee

Mr. A K Ravi Nedungadi	Chairman
Mr. Kalyan Ganguly *	Member
Mr. Henricus Petrus van Zon	Member

Auditors

S.R. Batliboi & Associates LLP, Chartered Accountants

Registrar and Share Transfer Agent

Integrated Enterprises (India) Limited

Independent Directors

Mr. Chugh Yoginder Pal
Mr. Sunil Alagh
Mr. Chhaganlal Jain
Ms. Kiran Mazumdar Shaw
Mr. Madhav Bhatkuly
Mr. Stephan Gerlich

Mr. Govind Iyengar

Stakeholders' Relationship Committee

Mr. Chugh Yoginder Pal	Chairman
Mr. Sunil Alagh	Member
Mr. Chhaganlal Jain	Member

Borrowing Committee

Mr. Chhaganlal Jain	Chairman
Mr. Henricus Petrus van Zon	Member
Mr. A K Ravi Nedungadi	Member
Ms. Kiran Mazumdar Shaw	Member

Corporate Social Responsibility Committee

Dr. Vijay Mallya	Chairman
Mr. Kalyan Ganguly *	Member
Mr. Henricus Petrus van Zon	Member
Ms. Kiran Mazumdar Shaw	Member
Mr. Sunil Alagh	Member
Mr. Madhav Bhatkuly	Member

Note: * Mr. Shekhar Ramamurthy replaces Mr. Kalyan Ganguly w.e.f. August 01, 2015.

** Mr. Sijbe Hiemstra replaces Mr. Duco Reinout Hooft Graafland w.e.f. July 23, 2015.

*** Mr. Frans Erik Eusman replaces Mr. Roland Pirmez w.e.f. August 01, 2015.

Profile of Directors and their other Directorships

Brief resume	Other Directorships & Committee Memberships in India
<p>Dr. Vijay Mallya</p> <p>Dr. Vijay Mallya is a second-time Member of India's Parliament and Chairman of The United Breweries (UB) Group, one of India's largest conglomerates with diverse interests in brewing, distilling, real estate, biotechnology and information technology. He was born in 1955 and became the Chairman of The UB Group at the age of 28 following his father's demise.</p> <p>Prior to being entrusted with the responsibilities of running a conglomerate, Dr. Mallya worked for the American Hoechst Corporation in the United States. Since 1980 he assisted his father, then Chairman of the UB Group in managing the important brewing and spirits divisions. Upon assuming the position of Chairman in October 1983, Dr. Mallya initiated the process of defining a corporate structure with performance accountability, inducting professional management and consolidating businesses. The UB Group is solely focused on increasing value for its stakeholders through its various operating businesses, through strategic partnerships and alliances.</p> <p>Dr. Mallya has received several professional awards both in India and overseas. Dr. Mallya has been on the Board of UBL since March 30, 2002.</p>	<p>Other Boards</p> <ul style="list-style-type: none"> - Kingfisher Airlines Limited - Bayer CropScience Limited - Sanofi India Limited - United Breweries (Holdings) Limited - United Spirits Limited - Four Seasons Wines Limited - United Racing and Bloodstock Breeders Limited - Royal Challengers Sports Private Limited - Kingfisher East Bengal Football Team Private Limited - VJM Investments Private Limited - Motor Sports Association of India <p>Stakeholders Relationship Committee:</p> <ul style="list-style-type: none"> - United Spirits Limited
<p>Mr. Kalyan Ganguly</p> <p>Mr. Kalyan Ganguly, the President & Managing Director of United Breweries Limited has been heading the Beer Business of the UB Group since 1995. He joined the Group on 1st of February 1979. Prior to joining UB Group, he was with Reckitt & Colman. He is a graduate from Presidency College, Kolkata and has completed his post-graduation diploma in Business Management from XLRI, Jamshedpur. He has participated in the strategic marketing course at Harvard Business School and also an Advance Management Program.</p> <p>Mr. Ganguly has been the president of All India Brewers' Association from 1996 to 2000 and still continues to be on the Management Committee of this organization and plays a very important role in advising them on their strategy.</p> <p>He was chosen as most distinguished Alumni of XLRI. Also, he was selected as one of the best CEOs by Business Today and BT-INSEAD HBR study in 2012.</p> <p>Mr. Ganguly has also participated in various workshops where he has been able to, not only acquire relevant knowledge, but also contributed significantly towards enhancing India's position among countries who have significant brewing operations.</p> <p>Mr. Ganguly has been on the Board of UBL since March 30, 2002.</p>	<p>Other Boards</p> <ul style="list-style-type: none"> - Maltex Malsters Limited - Indian Premier Football Association Limited - Kingfisher East Bengal Football Team Private Limited

A K Ravi Nedungadi

A trained Chartered and Cost Accountant, Mr. Nedungadi joined the United Breweries Group in 1990 as the Corporate Treasurer. Within two years, he became the Group Finance Director of the Group's International business managing the businesses of UB International, which included the paint giant Berger Jenson and Nicholson with operations spanning 27 countries. He was instrumental in listing the Berger Group Companies on the London and Singapore bourses.

Since his appointment as the President and Group CFO in 1998, he led the way to sharpening the focus of the Group, which had a conglomerate approach, on areas of competence and global reach. This saw the Group focus on clearly defined verticals each area presenting clear leadership within India and global significance.

He was also responsible for opening up the beverage alcohol sector to Global Best Practices and Transparency, enabling the entry of institutional investors and rerating of the industry itself.

Under his leadership, the market capitalisation of the 3 principal Group companies crossed US\$ 5 Billion which bears testimony to the successful accomplishment of business restructuring, consolidation and enhanced shareholder value.

Mr. Nedungadi is the recipient of many awards of excellence, including Udyog Ratan Award, IMA's CFO of the Year, CNBC TV18's – CFO of the Year – M & A etc. Memberships in esteemed organisations like Who's Who of Professionals only reinforce the above testimonials. Further, he is on the Board of several companies, both in India and overseas.

His interests in social work and the arts engage his free time. He is an active Rotarian and is a Trustee of India Foundation for the Arts, India's leading grant making Art Philanthropy.

Mr. Nedungadi has been on the Board of UBL since August 09, 2002.

Other Boards

- Sanofi India Limited
- Bayer CropScience Limited

Audit Committee

- Sanofi India Limited
- Bayer CropScience Limited

Stakeholders Relationship Committee:

- Sanofi India Limited
- Bayer CropScience Limited (Chairman)

Mr. Duco Reinout Hooft Graafland

Mr. Duco Reinout Hooft Graafland studied Business Administration at the Erasmus University in Rotterdam and finished the Post-Graduate study for Chartered Accountant. He started his career as a Management Trainee with Heineken Nederland in 1981, became Brand Manager for Vrumona, Heineken's soft drink company and continued as Area Export Manager for Central and West Africa. The experience with the African market prompted his move to Kinshasha, where he worked as Financial Director for Heineken's operations for three years from 1987–1989. Then he returned to the Netherlands as Marketing Director for Heineken Nederland. In 1993 he went to Indonesia as President Director of Multi Bintang. As of 1997 he continued his career at Heineken's Corporate Office as Director Corporate Marketing to become Director of Heineken Export Group in 2001. He was appointed Member of the Executive Board and CFO of Heineken N.V. in 2002 and continued in that position till his retirement in April 2015.

Mr. Hooft Graafland has been on the Board of UBL since December 07, 2009.

NIL

<p>Mr. Roland Pirmez</p> <p>Mr. Pirmez was appointed President of Heineken Asia Pacific Pte. Ltd. in June 2013. Prior to that, he was the Chief Executive Officer of APB since 2008. He has an Engineering degree in Agriculture and Master's degree in Brewing from the University of Louvain-la-Neuve in Belgium. Mr. Pirmez, with 27 years in the beer industry, was previously CEO of Heineken Russia, a position he held from 2002 to 2008. He was General Manager of APB's associate, Thai Asia Pacific Brewery Co. Ltd., for 4 years from 1998 to 2002. Prior to Thailand, Mr. Pirmez held different positions in Africa, and joined Heineken as Managing Director - Angola in 1996. His expertise in the specific functional areas included extensive experience in beer industry, brewing of beer and general management.</p> <p>Mr. Pirmez has been on the Board of UBL since September 13, 2013.</p>	<p>NIL</p>
<p>Mr. Henricus Petrus van Zon</p> <p>Mr. Henricus Petrus van Zon, is an MSC in Business Economics and Post Graduate in Accountancy from Erasmus University, Rotterdam, Netherlands. He has also completed various Executive Development Programs from IMD-Lausanne, Switzerland and INSEAD-Fontainebleau, France. In 2007 he joined Brau Holding International GmbH and Co. KGaA, a Joint Venture between Schorghuber UG and Heineken NV as Executive Director and CFO. During his tenure he has also been operationally responsible as the Chairman of the Management Board and CFO of Kulmbacher Brauerei AG.</p> <p>Prior to this Mr. van Zon held several important portfolios in organisations like Grupa Zywiec, Heineken Espana, Heineken NV, Vietnam Brewery Ltd., Commonwealth Brewery Ltd. and Heineken Netherlands BV. Mr. van Zon brings with him over 3 decades experience of a professional in finance and general management, possessing broad business skills and an understanding of diverse emerging markets.</p> <p>Mr. van Zon has been on the Board of UBL since December 07, 2012.</p>	<p>NIL</p>
<p>Mr. Chugh Yoginder Pal</p> <p>Mr. Chugh Yoginder Pal is a first class Graduate in Engineering from Delhi University. After a brief Industrial Engineering training stint in TELCO he joined Hindustan Lever in 1960, where he held various positions starting in Industrial Engineering and moved up quickly in the Management hierarchy in a variety of Production, Factory and General Management roles leading to head of Corporate Materials Management. He joined Cadbury India Limited as Technical Director and became Managing Director in 1983 and Chairman & Managing Director in 1987. He retired as Executive Chairman in 1997 and as Non-Executive Chairman of Cadbury India Limited (now Mondelez India Foods Limited) in March, 2015.</p> <p>Mr. Pal brings with him great expertise and understanding of the Indian Business environment. He was President of the prestigious Bombay Chamber of Commerce and Industry.</p> <p>Mr. Pal has been on the Board of UBL since April 29, 2005.</p>	<p>Other Boards</p> <ul style="list-style-type: none"> - Maya Entertainment Limited - Shriram Pistons & Rings Limited - Aptech Limited - Franchising Association of India - Renfro India Private Limited <p>Audit Committees</p> <ul style="list-style-type: none"> - Aptech Limited (Chairman) - Shriram Pistons & Rings Limited

<p>Mr. Sunil Alagh</p> <p>Mr. Sunil Alagh is Chairman of SKA Advisors, a Business Advisory/ Consultancy firm with a focus on Marketing and Brand building strategies. He is a graduate in Economics (Hons.) with MBA from IIM Calcutta. He has worked with ITC Limited, Jagatjit Industries Limited and Britannia Industries Limited. He was Managing Director and CEO of Britannia Industries Limited from 1989 to 2003. During this tenure, Britannia figured in the Forbes Magazine list of 300 Best Small Companies in the world for 3 years. It also became the Number 1 food Brand in India.</p> <p>He is on the Boards of GATI Ltd. (a JV with KWE, Japan), GATI Import & Export Trading Ltd. and Indofil Industries Ltd. In addition, he is a member on the advisory Board of the Jawaharlal Darda Institute of Engineering and Technology, Yavatmal, Advisory Board of Setco Automotive Ltd., Mumbai, Senior Advisor to Hannover Re, Germany and on the Executive Committee of the Federation of Indian Chambers of Commerce and Industry (FICCI). He is a former member of the Board of IL&FS Investsmart Ltd. The Indian Advisory Board of Schindler Switzerland, Board of Governors' of IIM Bangalore and IIM Indore, the Governing Council of the National Institute of Design, Ahmedabad and a member of the Round Table on Higher Education of the Ministry of HRD, Government of India. He was honoured with the 'Gold Medal Kashikar Memorial Award 2000' for outstanding contribution to the food processing industry in India. He was a finalist for the Ernst and Young Entrepreneur of the Year Award, 2002.</p> <p>Mr. Alagh has been on the Board of UBL since April 29, 2005.</p>	<p>Other Boards</p> <ul style="list-style-type: none"> - GATI Limited - Indofil Industries Limited - GATI Import Export Trading Limited - SKA Advisors Private Limited <p>Stakeholders' Relationship Committee</p> <ul style="list-style-type: none"> - Indofil Industries Limited - GATI Limited (Chairman) <p>Audit Committee</p> <ul style="list-style-type: none"> - Indofil Industries Limited
<p>Mr Madhav Bhatkuly</p> <p>Mr. Madhav Bhatkuly has a Master's Degree in Commerce from Sydenham College, Bombay and a Master's Degree in Economics from the London School of Economics. He is a recipient of the Foreign and Commonwealth Scholarship from the British Government. Mr. Bhatkuly was a country partner of Arisaig Partners from 1999 to 2005. Prior to that, he was associated with SG Securities and ICICI Bank Limited. He partnered with Chris Hohn of The Children's Investment Fund, (UK) TCI to set up a dedicated India Fund. He is credited to have been amongst the first institutional investors in many small companies which have gone on to become some of India's leading names. He has been featured on several TV shows including "CNBC's wizards of Dalal Street", Indianomics, the Karan Thapar Show etc. and has been invited to speak at many business schools such as the Indian Institute of Management, and by many organisations such as the Confederation of India Industries (CII), Goldman Sachs etc.</p> <p>He currently serves as director on the board of New Horizon Opportunities Master Fund (NHOF). Based on the information in public domain, NHOF has been the best performing India fund in the world over the past 6 years.</p> <p>Mr. Bhatkuly has been on the Board of UBL since October 26, 2009.</p>	<p>Other Boards</p> <ul style="list-style-type: none"> - New Horizon Financial Research Private Limited - New Horizon Wealth Management Private Limited

Ms. Kiran Mazumdar Shaw

A pioneer of the biotechnology industry in India and the head of country's leading biotechnology enterprise, Biocon, Ms. Kiran Mazumdar Shaw is a highly respected businesswoman. Ms. Shaw, a first generation entrepreneur, has made her country proud with a globally recognized bio-pharma enterprise, which is committed to innovation and affordability in delivering world class therapeutics to patients worldwide. As the first woman brew master of India, with a pioneering spirit to make a difference she leveraged her knowledge of fermentation science to pursue the road less taken and build an innovative bio-pharma company, the first in India. Today, Biocon is India's largest insulins Company that pioneered the development of the world's only pichia based recombinant human insulin, which is now available in over 60 countries. Under her leadership Biocon has become a well-recognized global brand.

As a global influencer, she is ranked among, 'Worlds' 25 Most Influential People in Biopharma', by Fierce Biotech, TIME Magazine's '100 Most Influential People in the World', Forbes '100 Most Powerful Women', and Fortune's 'Top 25 Most Powerful Women in Asia-Pacific', The U.S. based Chemical Heritage Foundation conferred her with the '2014 Othmer Gold Medal' and Germany based Kiel Institute for the World Economy awarded her its coveted '2014 Global Economy Prize' for Business. The US based, Foreign Policy magazine has named her among the '100 Leading Global Thinkers of 2014'. More recently, she has featured in 'The Worldview 100 List' of the most influential visionaries by US based Scientific American magazine and has been ranked second among the 100 Most Influential People in the field of medicine in the 'Global Medicine Maker Power List 2015' published by a top UK based medical publication. Her vision and work for biotechnology have drawn global recognition both for Indian Industry and Biocon.

Ms. Shaw is also an Independent Member of the Board of Infosys, a global leader in consulting, technology and outsourcing solutions. She is also the Chairperson of the Board of Governors of the Indian Institute of Management, Bangalore.

In addition to her formal qualifications of a Brewmaster from Ballarat University, Australia; she holds several other honorary degrees from renowned international universities like Trinity College, Dublin; University of Abertay, Dundee; University of Glasgow; Heriot-Watt University, Edinburgh etc. Ms. Shaw is the recipient of several prestigious awards including the Nikkei Asia Prize, 2009 for Regional Growth; Express Pharmaceutical Leadership Summit Award 2009 for Dynamic Entrepreneur; the Economic Times 'Businesswoman of the Year'; the 'Veve Clicquot Initiative' for Economic Development for Asia; Ernst & Young's 'Entrepreneur of the Year' Award for Life Sciences & Healthcare; 'Technology Pioneer' recognition by World Economic Forum and The Indian Chamber of Commerce, 'Lifetime Achievement Award'. Her most cherished awards are the two National Civilian Awards, PADMASHRI (1989) and PADMA BHUSHAN (2005) presented to her by the President of India, for her innovative efforts in Industrial Biotechnology. She is also the Honorary Consul of Ireland in Bangalore.

Ms. Shaw has been on the Board of UBL since October 26, 2009.

Other Boards

- Biocon Limited
- Syngene International Limited
- Biocon Research Limited
- Narayana Institute for Advanced Research Private Limited
- Narayana Hrudayalaya Private Limited
- Indian School of Business
- Biocon Academy
- Mazumdar Shaw Medical Foundation
- Infosys Limited
- Biocon Pharma Limited
- Narayana Vaishno Devi Speciality Hospitals Private Limited
- Glenloch Properties Private Limited

Stakeholders Relationship Committee

- Biocon Limited

<p>Mr. Chhaganlal Jain</p> <p>Mr. Chhaganlal Jain is a Chartered Accountant and a Company Secretary by profession, having more than 45 years of Corporate experience in various organizations including ICI and Hindustan Lever Ltd. He was Finance Director of Hoechst India Ltd. He was also External Faculty Member at Bajaj Institute of Management for 17 years. Apart from Directorship he holds in esteemed public companies, he is also a trustee of Nayana Parekh Charitable Trust, Sangeeta Jain Charitable Trust and Oswal Mitra Mandal.</p> <p>Mr. Jain has been on the Board of UBL since January 27, 2003.</p>	<p>Other Boards</p> <ul style="list-style-type: none"> - Asit C. Mehta Investment Intermediates Limited - RPG Life Sciences Limited - Practical Financial Services Private Limited - NOCIL Limited <p>Audit Committees</p> <ul style="list-style-type: none"> - NOCIL Limited (Chairman) - RPG Life Sciences Limited (Chairman) - Asit C. Mehta Investment Intermediates Limited (Chairman)
<p>Mr. Stephan Gerlich</p> <p>In April 2014, Mr. Stephan Gerlich assumed the role as CEO of Bayer de Mexico and spokesperson of the Bayer Group in Mexico. Bayer in Mexico has more than 3,200 employees, sales of 1,000 Mio € and 5 production sites. Formerly, in his assignment in India, Mr. Gerlich was the Country Group Speaker for the Bayer Group in India and the Vice Chairman & Managing Director of Bayer CropScience Limited and Chairman & Managing Director of Bayer MaterialScience Private Limited.</p> <p>Mr. Gerlich started his career with Bayer AG in Germany in 1978 and shortly later moved to a subsidiary in France. After 3 years in France, he joined the Bayer operations in Mexico. In 1991, he returned to the Bayer Headquarters in Leverkusen, Germany as the Regional Marketing Manager for Engineering Plastics Division and later designated as Global Marketing Manager in 1992. In 1994, he took over as Director Sales & Marketing and Key Account Manager in Bayer France. In 1995, he became President / CEO of the Bayer / Hoechst Joint Venture, Dystar, in Mexico. In 2000, he became Vice President in charge of Sales in US & Canada for Dystar, based in North Carolina.</p> <p>Mr. Gerlich has been on the Board of UBL since July 02, 2010.</p>	<p>NIL</p>

Note: Committee Memberships of Directors mentioned above includes only those Committees prescribed for reckoning of limits under Clause 49 of the Listing Agreement. None of the Directors are related inter-se.

Profile of New Directors and their other Directorships

Brief resume	Other Directorships & Committee Memberships in India
<p>Mr. Shekhar Ramamurthy</p> <p>Mr. Shekhar Ramamurthy graduated from IIT Delhi in 1985 and subsequently from IIM Calcutta in 1987. He has worked for the UB Group for about 26 years, initially in Corporate Planning and subsequently in what is now United Spirits Limited before being transferred to United Breweries Limited. For the last 3 years, as the Joint President of UBL, Mr. Shekhar Ramamurthy has actively been part of the dynamic growth story of the Company which saw Kingfisher establish unrivalled market leadership in the country.</p> <p>Mr. Shekhar Ramamurthy has been appointed on the Board of UBL effective August 01, 2015.</p>	<p>Other Boards</p> <ul style="list-style-type: none"> - Kingfisher East Bengal Football Team Private Limited

<p>Mr. Sijbe Hiemstra</p> <p>Mr. Sijbe Hiemstra has Bachelor's degree in Business Administration at the School of Higher Economic Studies, Rotterdam and has attended various International Management programmes. Mr. Hiemstra joined Heineken in 1978. The first six years he worked with Gedistilleerd en Wijngroep Nederland. He started in various commercial and logistic projects, culminating in Product, Brand and Category Manager. In 1985 he was appointed Export Manager Softdrinks with Heineken Export Department/Vrumona. In 1989 Mr. Hiemstra started his overseas career as Country Manager of Heineken Export in Seoul, South Korea. This was followed by several years as Commercial Manager with South Pacific Holdings in Papua New Guinea and as General Manager of Brasseries de Bourbon in ILLe de La Reunion. In 1995 he returned to the Netherlands to take up the position of Deputy Director Central Africa for Heineken's Africa/Middle East Cluster. In 1998 he was appointed Regional Director SEA/Oceania with Asia Pacific Breweries Ltd in Singapore. In 2001 he became Director of Heineken Technical Services in Zoeterwoude. In October 2005 he was appointed Regional President, Heineken Asia Pacific based in Singapore. In 2011, he assumed the role of President - Africa and Middle East. Mr. Hiemstra has been appointed on the Board of UBL effective July 23, 2015.</p>	<p>NIL</p>
<p>Mr. Frans Erik Eusman</p> <p>Mr. Frans Erik Eusman joined Heineken in 1987. He has worked in various finance and general management positions in Europe and Asia. He has been appointed President of Asia Pacific Region at Heineken NV since July 1, 2015. Previously Mr. Eusman served as the Chief Business Services Officer at Heineken NV from 2010 to July 1, 2015. Mr. Eusman was Managing Director of Heineken France S.A.S. from 2005 until October 1, 2010 and Corporate Control & Accounting Director from 2003 to 2005. He was a Member of the Executive Committee from October 2010 to 30 June 2015 and since 1 July 2015, a member of the Executive Team at Heineken NV. Mr. Eusman has been appointed on the Board of UBL effective August 01, 2015.</p>	<p>NIL</p>

Membership in Boards and Board Committees - other than United Breweries Limited (UBL)

Names of the Directors	Membership in Boards other than UBL in India	Membership in Board Committees other than UBL	
		Prescribed for reckoning the limits under Clause 49 of the Listing Agreement **	Other Committees not so prescribed ***
Dr. Vijay Mallya	11	1	3
Mr. Kalyan Ganguly	3	NIL	NIL
Mr. A K Ravi Nedungadi	2	4 (Chairman of 1 Committee)	1
Mr. Duco Reinout Hooft Graafland	NIL	NIL	NIL
Mr. Roland Pirmez	NIL	NIL	NIL
Mr. Henricus Petrus van Zon	NIL	NIL	NIL
Mr. Chugh Yoginder Pal	5	2 (Chairman of 1 Committee)	5
Mr. Sunil Alagh	4	3 (Chairman of 1 Committee)	2
Mr. Chhaganlal Jain	4	3 (Chairman of 3 Committee)	4
Ms. Kiran Mazumdar Shaw	12	1	2
Mr. Madhav Bhatkuly	2	NIL	NIL
Mr. Stephan Gerlich	NIL	NIL	NIL

Membership in Boards and Board Committees of New Directors - other than United Breweries Limited (UBL)

Names of the Directors	Membership in Boards other than UBL in India	Membership in Board Committees other than UBL	
		Prescribed for reckoning the limits under Clause 49 of the Listing Agreement **	Other Committees not so prescribed ***
Mr. Shekhar Ramamurthy	1	NIL	NIL
Mr. Sijbe Hiemstra	NIL	NIL	NIL
Mr. Frans Erik Eusman	NIL	NIL	NIL

The above position is as on the date of this Report and in respect of their Directorships only in Indian Companies.

** Audit Committee and Stakeholders' Relationship Committee.

*** Nomination and Remuneration Committee, Share Transfer Committee and Other Committees.

Notes:

- Out of 11 other Companies in India in which Dr. Vijay Mallya is a Director, 3 are Private Limited Companies and 1 is a Section 8 Company under the Companies Act, 2013. Dr. Vijay Mallya is also on the Board of 29 Overseas Companies.
- Out of 3 other Companies in which Mr. Kalyan Ganguly is a Director, 1 is a Private Limited Company. Mr. Kalyan Ganguly is also on the Board of 1 Overseas Company.
- Mr. A K Ravi Nedungadi is a Director in 2 Companies in India. Mr. A K Ravi Nedungadi is also on the Board of 5 Overseas Companies.
- Mr. Duco Reinout Hooft Graafland is on the Board of 1 Overseas Company.
- Mr. Roland Pirmez is on the Board of 35 Overseas Companies.
- Mr. Henricus Petrus van Zon is not a Director in any other Company.
- Out of 5 other Companies in which Mr. Chugh Yoginder Pal is a Director, 1 is a Private Limited Company and 1 is a Section 8 Company under the Companies Act, 2013.
- Out of 4 other Companies in which Mr. Sunil Alagh is a Director, 1 is a Private Limited Company.
- Out of 4 other Companies in which Mr. Chhaganlal Jain is a Director, 1 is a Private Limited Company.
- Out of 12 other Companies in which Ms. Kiran Mazumdar Shaw is a Director, 4 are Private Limited Companies and 1 is a Section 8 Company under the Companies Act, 2013. Ms. Mazumdar is also on the Board of 4 Overseas Companies.
- Mr. Madhav Bhatkuly is a Director in 2 Private Limited Companies. Mr. Bhatkuly is also on the Board of 1 Overseas Company.
- Mr. Stephan Gerlich is not a Director in any other Company.
- Mr. Shekhar Ramamurthy is a Director in 1 Private Limited Company. He is also on the Board of 1 Overseas Company.
- Mr. Sijbe Hiemstra is on the Board of 5 Overseas Companies.
- Mr. Frans Erik Eusman is on the Board of 12 Overseas Companies.

Board Meetings

Matters of policy and other relevant and significant information are regularly made available to the Board. In order to ensure better Corporate Governance and transparency, the Company has constituted an Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee, Share Transfer Committee, Corporate Social Responsibility Committee, Risk Management Committee and Borrowing Committee to look into the aspects of each Committee. Internal Audit carried out by the Internal Audit team is commensurate with the size of the organization. There is a comprehensive management reporting system involving preparation of operating results and their review by senior management and by the Board.

In addition to securing Board approvals for various matters prescribed under the Companies Act, matters such as annual budget, operating plans, material show cause notices and demands, if any, minutes of committee meetings and subsidiary company, control self-assessment, risk management and updates thereof are regularly placed before the Board.

During the financial year ended on March 31, 2015, four (4) Board Meetings were held on May 27, 2014, August 13, 2014, November 12, 2014 and February 13, 2015.

Attendance at Board Meetings and Annual General Meeting (AGM)

Names of the Directors	Category	Number of Board Meetings held	Number of Board Meetings attended	Attendance at the last AGM held on 04.09.2014
Dr. Vijay Mallya	Chairman (NE)	4	4	Yes
Mr. Kalyan Ganguly	Managing Director	4	4	Yes
Mr. A K Ravi Nedungadi	Director (NE)	4	4	Yes
Mr. Duco Reinout Hooft Graafland*	Director (NE)	4	2	—
Mr. Roland Pirmez	Director (NE)	4	2	—
Mr. Henricus Petrus van Zon	Director (CFO)	4	4	Yes
Mr. Chugh Yoginder Pal	Director (NE, IND)	4	4	Yes
Mr. Sunil Alagh	Director (NE, IND)	4	4	Yes
Mr. Chhaganlal Jain	Director (NE, IND)	4	4	Yes
Ms. Kiran Mazumdar Shaw	Director (NE, IND)	4	3	Yes
Mr. Madhav Bhaskar	Director (NE, IND)	4	2	Yes
Mr. Stephan Gerlich	Director (NE, IND)	4	2	—

Notes: NE – Non Executive, IND – Independent, CFO – Chief Financial Officer

* Mr. Ernst Willem Arnold Van De Weert was appointed as an Alternate Director in place of Mr. Hooft Graafland on March 31, 2015 who attended 1 Board Meeting held on May 28, 2015.

COMMITTEES OF DIRECTORS

The Board has constituted Committees of Directors as mandatorily required and to deal with matters which need urgent decisions and timely monitoring of the activities falling within their terms of reference. The Board Committees are as follows:

Audit Committee

The Audit Committee comprises of Mr. Chugh Yoginder Pal, Mr. Sunil Alagh and Mr. Chhaganlal Jain as members, all of whom are independent Directors. The Chairmanship of the Committee vests with Mr. Chugh Yoginder Pal.

The Committee oversees the financial reporting process, disclosure requirements and matters relating to Internal Control System. The Committee also reviews periodically the financial accounts, adequacy of the internal audit function, compliance with accounting standards and other areas within its terms of reference, as under;

- i) Oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- ii) Recommending to the Board, the appointment, remuneration and terms of appointment of auditors of the Company;
- iii) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- iv) Reviewing, with the Management, the Annual Financial Statements and auditor's report before submission to the Board for approval, with particular reference to;
 - Matters required to be included in the Directors Responsibility Statement to be included in the Board's report in terms of Clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
 - Changes, if any, in accounting policies and practices and reasons for the same;
 - Major accounting entries involving estimates based on the exercise of judgement by the Management;

- Significant adjustments made in the financial statements arising out of Audit findings;
 - Compliance with listing and other legal requirements relating to financial statements;
 - Disclosure of any related party transactions;
 - Qualifications in the draft audit report;
- v) Reviewing with the Management the quarterly financial statements before submission to the Board for approval;
- vi) Reviewing with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter;
- vii) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process.
- viii) Approval or any subsequent modification of transactions of the Company with related parties;
- ix) Scrutiny of inter-corporate loans and investments;
- x) Valuation of undertakings or assets of the company, wherever it is necessary;
- xi) Evaluation of internal financial controls and risk management systems;
- xii) Reviewing with the management the performance of statutory and internal auditors, adequacy of the internal control system;
- xiii) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- xiv) Discussion with internal auditors of any significant findings and follow-up there on;
- xv) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- xvi) Discussing with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- xvii) To look into the reasons for substantial defaults in the payments to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- xviii) To review the functioning of Whistle Blower mechanism;
- xix) Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate, and
- xx) Carrying out any other function as is mentioned in terms of reference of the Audit Committee.

The Audit Committee mandatorily reviews the following information:

1. Management discussion and analysis of financial conditions and results of operations;
2. Statement of significant related party transactions submitted by the management;
3. Management letters / letters of internal control weaknesses issued by the Statutory Auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the Chief Internal Auditor.

During the Year ended March 31, 2015, seven (7) Audit Committee Meetings were held on May 21, 2014, August 08, 2014, October 07, 2014, November 12, 2014 (two meetings), February 08, 2015 and February 13, 2015.

Attendance at Audit Committee Meetings

Names of the Directors	Category	Number of Audit Committee Meetings held	Number of Audit Committee Meetings attended
Mr. Chugh Yoginder Pal	CHAIRMAN	7	7
Mr. Sunil Alagh	MEMBER	7	6
Mr. Chhaganlal Jain	MEMBER	7	6

The Company Secretary was present in all the Meetings of Audit Committee except one meeting which was held on February 08, 2015.

Share Transfer Committee

The Share Transfer Committee comprises of Mr. A K Ravi Nedungadi, Mr. Kalyan Ganguly, and Mr. Henricus Petrus van Zon as Members. Mr. A K Ravi Nedungadi, a non-executive Director is the Chairman of the Committee. Mr. Shekhar Ramamurthy replaces Mr. Kalyan Ganguly as a member of the Committee w.e.f. August 01, 2015.

The Terms of reference are as under:

- To monitor Transfer, Transmission and Transposition of the Shares of the Company;
- Issue of Duplicate Share Certificates, in lieu of Certificates lost or misplaced;
- Issue of New Share Certificates in lieu of Certificates torn, mutilated, cages for transfer filled up etcetera;
- Consolidation and sub-division of Share Certificates;
- To oversee compliance of the norms laid down under the Depositories Act, 1996;
- To appoint/remove Registrar and Transfer Agent;
- To oversee compliance of the norms laid down under the Tripartite Agreement with National Securities Depository Limited / Central Depository Services (India) Limited, and
- Perform all such acts and deeds, matters and things as it may in its absolute discretion deem necessary, expedient, desirable, usual or proper and to settle any question, dispute, difficulty or doubt that may arise in regard to the matters arising out of the aforesaid acts.

In order to facilitate prompt and efficient service to the Shareholders all the transactions in connection with Transfer, Transmission, issue of Duplicate Certificates, etc., have been entrusted to Integrated Enterprises (India) Limited, Registrar and Share Transfer Agent and the same are being processed and approved once in ten days.

During the year ended March 31, 2015 the Committee met five (5) times on May 21, 2014, August 08, 2014, November 12, 2014, January 05, 2015 and January 29, 2015 for approving the transactions falling within the Terms of reference mentioned above.

The Board of Directors has, by a resolution by circulation passed on May 5, 2004, delegated the power to approve transfers/ transmission etc., up to 5000 shares to the Managing Director and the Company Secretary, who can act severally in the above matter.

Stakeholders' Relationship Committee

The Board of Directors at its Meeting held on May 27, 2014, re-designated the existing Investors' Grievance Committee as Stakeholders' Relationship Committee in order to align with the requirements of the Companies Act, 2013. The Committee comprises of Mr. Chugh Yoginder Pal, Mr. Sunil Alagh and Mr. Chhaganlal Jain as members. Mr. Chugh Yoginder Pal is the Chairman of the Committee.

The Terms of Reference for the Committee include inter alia to specifically look into the redressing of Shareholders' Grievances like non-receipt of Balance Sheet, non-receipt of declared Dividends, non-receipt of Share certificates,

Demat Credit, etcetera, and shall inter alia operate and cover areas as may be prescribed under the Companies Act, and other applicable Regulations from time to time.

The Compliance Officer is Mr. Govind Iyengar, Senior Vice President – Legal and Company Secretary.

Number of Shareholders' complaints received from 01-04-2014 to 31-03-2015 (These complaints pertained mainly to non-receipt of Share Certificates upon transfer, non-receipt of Annual Report, non-receipt of Dividend, etc.)	25
Number of complaints not solved to the satisfaction of the Shareholders	NIL
Number of pending Share transfers	NIL

During the year ended March 31, 2015, two (2) Meetings of Stakeholders Relationship Committee were held on November 12, 2014 and on February 13, 2015 which was attended by all the members.

Corporate Social Responsibility Committee

Your Company has been focussing on Corporate Social Responsibility (CSR) activities viz., primary health and welfare, primary education and potable water in the vicinity of its brewing locations. Your company has formulated a CSR policy for a seamless integration of market place, work place, environment and community concerns with its business operations. Your company uses CSR as an integral business process in order to support sustainable development and inclusive growth and constantly endeavours to be a good corporate.

The Board of Directors at their meeting held on May 27, 2014, has constituted Corporate Social Responsibility Committee which comprises of Dr. Vijay Mallya, Mr. Kalyan Ganguly, Mr. Henricus Petrus van Zon, Ms. Kiran Mazumdar Shaw, Mr. Sunil Alagh and Mr. Madhav Bhatkuly as Members. Dr. Vijay Mallya is the Chairman of the Committee. Mr. Shekhar Ramamurthy replaces Mr. Kalyan Ganguly as a member of the Committee w.e.f. August 01, 2015.

During the year ended March 31, 2015, two (2) Meetings of Corporate Social Responsibility Committee were held on September 04, 2014 and February 20, 2015.

Attendance at Corporate Social Responsibility Committee Meetings

Names of the Directors	Category	Number of Corporate Social Responsibility Committee Meetings held	Number of Corporate Social Responsibility Committee Meetings attended
Dr. Vijay Mallya	CHAIRMAN	2	2
Mr. Kalyan Ganguly	MEMBER	2	2
Mr. Henricus Petrus van Zon	MEMBER	2	2
Ms. Kiran Mazumdar Shaw	MEMBER	2	1
Mr. Sunil Alagh	MEMBER	2	2
Mr. Madhav Bhatkuly	MEMBER	2	1

Risk Management Committee

The Board of Directors at their meeting held on August 13, 2014, constituted a Risk Management Committee in Compliance with the requirement of the revised Clause 49 of the Listing Agreement and shall inter alia operate and cover areas as may be prescribed under the Listing Agreement, Companies Act and other applicable Regulations from time to time.

Corporate Governance Report contd.

The Committee comprises of Dr. Vijay Mallya, Mr. Kalyan Ganguly, Mr. Henricus Petrus van Zon, Mr. Chugh Yoginder Pal, Ms. Kiran Mazumdar Shaw, Mr. Chhaganlal Jain and Mr. Madhav Bhatkuly as Members. Dr. Vijay Mallya is the Chairman of the Committee. Mr. Shekhar Ramamurthy replaces Mr. Kalyan Ganguly as a member of the Committee w.e.f. August 01, 2015.

During the year ended March 31, 2015, one (1) Meeting of Risk Management Committee was held on February 20, 2015 which was attended by Dr. Vijay Mallya, Mr. Kalyan Ganguly, Mr. Henricus Petrus van Zon, Mr. Chugh Yoginder Pal and Mr. Chhaganlal Jain.

Borrowing Committee

Having regard to the size of operations, frequency of funds requirement and administration convenience, the Board has constituted a Borrowing Committee of Directors and has delegated powers to borrow moneys within approved limits from time to time.

The Borrowing Committee was reconstituted on February 06, 2013, comprising of Mr. Henricus Petrus van Zon, Mr. A K Ravi Nedungadi, Mr. Chhaganlal Jain and Ms. Kiran Mazumdar Shaw as Members. Mr. Chhaganlal Jain is the Chairman of the Committee. During the year ended March 31, 2015, three (3) Meetings of Borrowing Committee were held on April 25, 2014, which was attended by all the Members, excluding Mr. A K Ravi Nedungadi and on January 29, 2015 and March 12, 2015 which was attended by all the members.

Nomination and Remuneration Committee

The Board of Directors at its meeting held on May 27, 2014 re-designated the existing Remuneration / Compensation Committee as the Nomination and Remuneration Committee in order to align with the requirement of the Companies Act, 2013/Listing Agreement. The Committee comprises of Mr. Sunil Alagh, Mr. A K Ravi Nedungadi, Mr. Chugh Yoginder Pal, Mr. Chhaganlal Jain and Mr. Roland Pirmez as Members. Mr. Sunil Alagh is the Chairman of the Committee. Mr. Frans Erik Eusman replaces Mr. Roland Pirmez as a member of the Committee w.e.f. August 01, 2015.

The Committee is authorized inter alia:

- to deal with matters related to compensation by way of salary, perquisites, benefits, etc., to the Managing Director/ Executive/Whole time Directors of the Company and set guidelines for the salary, performance, pay and perquisites to other Senior Employees,
- to formulate and implement Employee Stock Option Scheme to Employees/Directors in terms of prescribed Guidelines, and
- shall inter alia operate and cover areas as may be prescribed under the Companies Act, and other applicable Regulations from time to time.

During the year ended March 31, 2015, two (2) Meetings of Nomination and Remuneration Committee were held on May 21, 2014 which was attended by all the Members, excluding Mr. A.K Ravi Nedungadi and on August 08, 2014 which was attended by all the Members.

Remuneration Policy

The Company carries out periodic reviews of comparable Companies and through commissioned survey ascertains the remuneration levels prevailing in these Companies. The Company's Remuneration Policy is designed to ensure that the remuneration applicable to Managers in the Company is comparable with multinational Companies operating in the Brewing or similar industry in India.

For the financial year ended March 31, 2015, Mr. Kalyan Ganguly, Managing Director and Mr. Henricus Petrus van Zon, Director & CFO were paid remuneration as under:

(Rupees)

Name	Salary & Allowance	Perquisites	Retiral Benefits
Mr. Kalyan Ganguly	6,65,20,200/-	84,82,043/-	1,10,40,774/-
Mr. Henricus Petrus van Zon	6,45,90,806/-	56,91,194/-	55,60,786/-

Sitting fees to Directors during 2014-2015

Sl. No.	Name of the Director	Sitting Fees paid (Rupees)*
1.	Dr. Vijay Mallya	275,000/-
2.	Mr. A K Ravi Nedungadi	375,000/-
3.	Mr. Chugh Yoginder Pal	555,000/-
4.	Mr. Chhaganlal Jain	565,000/-
5.	Mr. Sunil Alagh	560,000/-
6.	Mr. Duco Reinout Hooft Graafland	140,000/-
7.	Ms. Kiran Mazumdar Shaw	250,000/-
8.	Mr. Madhav Bhatkuly	105,000/-
9.	Mr. Stephan Gerlich	80,000/-
10.	Mr. Roland Pirmez	80,000/-
	TOTAL	2,985,000/-

* Subject to deduction of tax at source, as applicable.

Sitting fees are being paid @ Rs.60,000/- for attending Board Meetings, Rs.50,000/- for attending Audit Committee Meetings and Rs.25,000/- for attending other Committee Meetings and Independent Directors Meeting. No stock options have been granted to any of the Directors so far.

Commission to Directors during 2014-2015

Sl. No.	Name of the Director	Commission (Rupees)**
1.	Dr. Vijay Mallya	22,944,267/-
2.	Mr. Chugh Yoginder Pal	2,549,363/-
3.	Mr. Chhaganlal Jain	2,549,363/-
4.	Mr. Sunil Alagh	2,549,363/-
5.	Ms. Kiran Mazumdar Shaw	2,549,363/-
6.	Mr. Madhav Bhatkuly	2,549,363/-
7.	Mr. Stephan Gerlich	2,549,363/-

** Subject to deduction of tax at source and service tax, as applicable.

SHAREHOLDERS INFORMATION

General Body Meetings

The previous three Annual General Meetings of the Company were held on the dates, time and venue as given below:

Date	Time	Venue	Special Resolutions Passed
September 04, 2014	11.30 a.m.	Good Shepherd Auditorium, Opp. St. Joseph's Pre-University College, Residency Road, Bengaluru - 560 025.	Three
September 12, 2013	11.30 a.m.	Good Shepherd Auditorium, Opp. St. Joseph's Pre-University College, Residency Road, Bengaluru - 560 025.	Nil
September 26, 2012	11.30 a.m.	Good Shepherd Auditorium, Opp. St. Joseph's Pre-University College, Residency Road, Bengaluru - 560 025.	Two

All the Resolutions set out in respective Notices including Special Resolutions were passed by the Members at the above Annual General Meetings.

Postal Ballot

Your Company had not conducted any Postal Ballot during the year and there is no resolution proposed to be passed by postal ballot at the ensuing Annual General Meeting.

None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing of resolution through postal ballot.

Remote E-voting

In terms of Section 108 of the Companies Act, 2013, Rules framed thereunder and Clause 35B of the Listing Agreement, the Company is providing remote e-voting facility to its shareholders in respect of all shareholders' resolutions proposed to be passed at this Annual General Meeting.

Disclosures

During the financial year ended March 31, 2015, there were no materially significant related party transactions with the Company's Directors or their relatives. Details of related party transaction form part of Notes to Accounts. In preparation of financial statements for the year under review, treatment as prescribed in Accounting Standards has been followed.

The Company has complied with all the statutory requirements comprised in the Listing Agreements / Regulations / Guidelines / Rules of the Stock Exchanges / SEBI / other Statutory Authorities.

The Company did not suffer from any levies and there were no strictures on any Capital market related matters since incorporation. The Company has complied with the mandatory requirements of Clause 49.

Dividend

Post its declaration at this Annual General Meeting, dividend on Equity Shares for the financial year ended March 31, 2015 will be paid to the Members whose names appear:

- as Beneficial Owners as at the close of the business hours on Tuesday, September 15, 2015 as per the list to be furnished by the Depositories in respect of the Shares held in electronic form, and
- as Members in the Register of Members of the Company as on Tuesday, September 22, 2015 after giving effect to all valid Share transfers in physical form which are lodged with the Company on or before Tuesday, September 15, 2015.

Unclaimed Dividend

The unclaimed/unpaid Interim Dividend for the financial year ended March 31, 2009 will be due for transfer to the Investor Education and Protection Fund (IEPF) on October 10, 2015 in terms of the Companies Act. Members who have not encashed the Dividend Warrants for the aforesaid Dividend are requested to approach the Registrar and Share Transfer Agents of the Company as no claim shall lie against IEPF or the Company after such transfer of unclaimed Dividend to IEPF.

Unclaimed Shares

After due compliance with the procedure prescribed in Clause 5A.II of the Listing Agreement relating to unclaimed shares, your Company has transferred all unclaimed equity shares in one folio and has dematerialized these equity shares in a demat account with National Securities Depository Limited.

Details relating to unclaimed equity shares as on March 31, 2015 as required under the Listing Agreement is given hereunder:

No. of Shareholders Holding unclaimed shares as on 01.04.2014	No. of unclaimed Shares as on 01.04.2014	No. of Shareholders claimed shares during the year	No. of unclaimed shares transferred during the year	No. of Shareholders Holding unclaimed shares as on 31.03.2015	Balance Unclaimed Shares as on 31.03.2015	Voting Rights Frozen (%)
7933	1365858	24	22080	7909	1343778	0.51

Means of Communication

The Company has its own Web-site and all vital information relating to the Company and its performance including quarterly financial results, official Press releases, presentation to analysts, Shareholding Pattern etc., are posted on the Company's Web-site "www.unitedbreweries.com". Apart from furnishing financial results to all the Stock Exchanges, the Quarterly, Half-yearly and Annual Results of the Company's performance are published in 'The Financial Express' and 'Kannada Prabha' Newspapers.

In line with the requirement of Clause 47(f) of the Listing Agreement, the Company has designated an exclusive email ID viz, ubinvestor@ubmail.com for the purpose of registering complaints by the investors. The investors can post their grievances by sending a mail to the said email ID.

Management Discussion and Analysis form part of the Directors' Report.

General Shareholder Information

The Company's financial year begins on April 01 and ends on March 31 of immediately subsequent year.

Division of Financial Calendar	Declaration of Unaudited Results	
April 01 to June 30	1 st Quarter	By August 14 th
July 01 to September 30	2 nd Quarter	By November 14 th
October 01 to December 31	3 rd Quarter	By February 14 th
January 01 to March 31	4 th Quarter*	By May 15 th

* In terms of the listing agreement, the Company is required to publish Audited Results for the last quarter within 60 days of the end of the financial year.

Annual General Meeting Information

Board Meeting for Consideration of Accounts	May 28, 2015
Cut-off-Date for ascertaining Shareholders entitled for Notice	August 21, 2015
Posting of Annual Report	August 29, 2015
Cut-off-Date for determining the eligibility to vote by electronic voting system and at the AGM	September 15, 2015 (close of business hours)
Book Closure dates	September 16, 2015 to September 22, 2015 (both days inclusive)
Last date for receiving proxy	September 20, 2015
Remote E-voting starting date and time	September 19, 2015, at 9.00 a.m.
Remote E-voting closure date and time	September 21, 2015, at 5.00 p.m.
Date of Annual General Meeting	September 22, 2015
Time	11.00 a.m.
Venue	Level 1, UB Tower, UB City, 24, Vittal Mallya Road, Bengaluru-560 001.

In terms of Companies Act, 2013 service of documents including Annual Report, Notice of Annual General Meeting and other requisite correspondence may be made by the Company to its Shareholders by Electronic mode. In continuation of our endeavour to support the Green Initiative of e-communication, the Company is sending the Annual Report and Notice convening 16th Annual General Meeting by electronic mode to the shareholders. The Annual Report and the Notice is also available on the website of your Company www.unitedbreweries.com.

Listing with Stock Exchanges

The Equity Shares of your Company are listed with National Stock Exchange of India Limited and BSE Limited (Formerly Bombay Stock Exchange Limited). Your Company has paid the Annual Listing Fee to all these Stock Exchanges for the year 2015-2016. The Scrip Code of your Company's Equity Shares on these Stock Exchanges is as under:

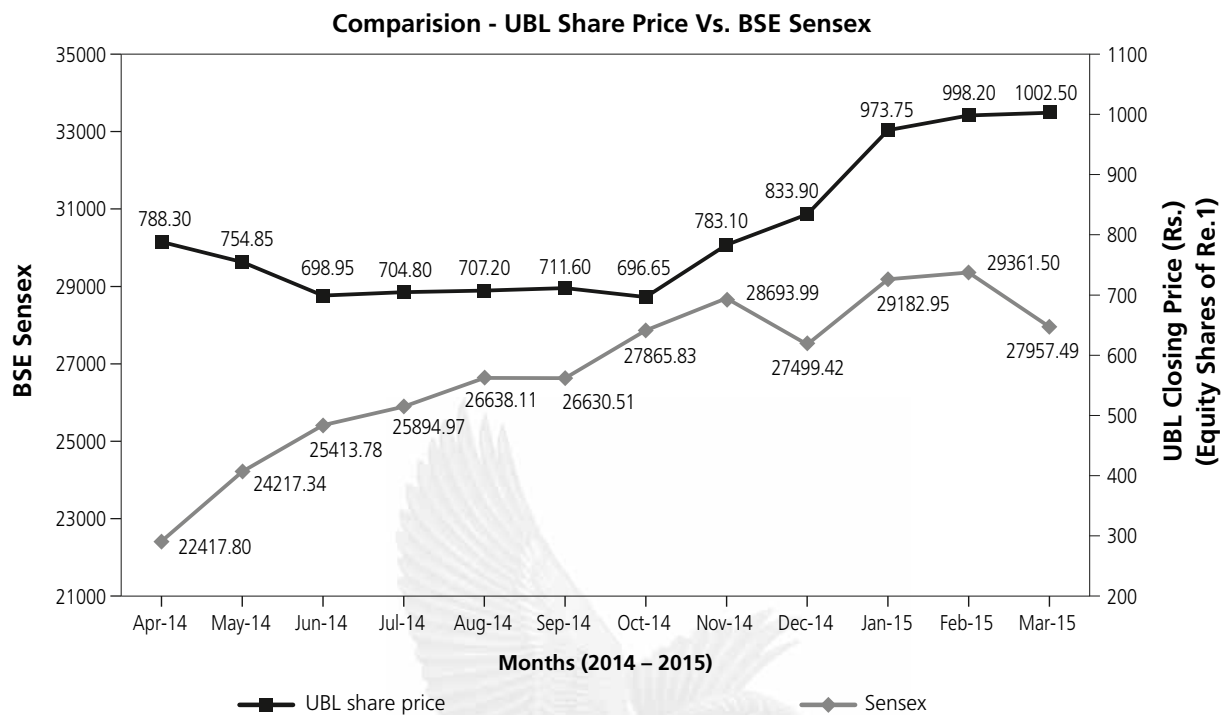
STOCK EXCHANGE	SCRIP CODE
BSE LIMITED	532478
NATIONAL STOCK EXCHANGE OF INDIA LIMITED	UBL

Market price data of the Company's Equity Shares traded on the BSE Limited, during the period April 2014 to March 2015.

Month	High (Rs.)	Low (Rs.)	Close (Rs.)	Sensex – Close
	BSE	BSE	BSE	BSE
April, 2014	859.90	740.00	788.30	22,417.80
May, 2014	823.45	750.05	754.85	24,217.34
June, 2014	780.00	671.05	698.95	25,413.78
July, 2014	765.00	677.85	704.80	25,894.97
August, 2014	758.65	695.55	707.20	26,638.11
September, 2014	744.55	683.30	711.60	26,630.51
October, 2014	720.90	601.20	696.65	27,865.83
November, 2014	802.50	684.15	783.10	28,693.99
December, 2014	854.50	732.05	833.90	27,499.42
January, 2015	1,055.55	826.15	973.75	29,182.95
February, 2015	1,023.50	919.25	998.20	29,361.50
March, 2015	1,044.90	946.75	1,002.50	27,957.49

(Market Price data source: www.bseindia.com)

Graphical representation of the Company's Share in comparison to broad-based indices i.e., BSE Sensex, is given below:

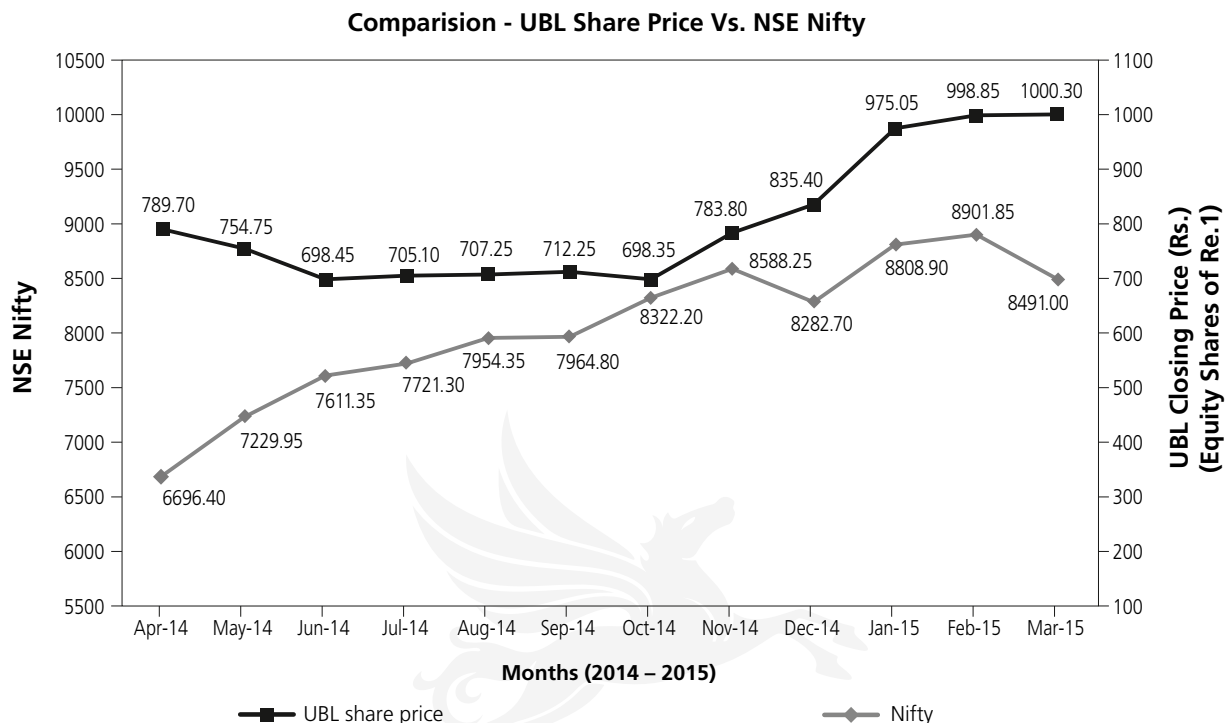


Market price data of the Company's Equity Shares traded on the National Stock Exchange of India Limited, (NSE) during the period April 2014 to March 2015.

Month	High (Rs.)	Low (Rs.)	Close (Rs.)	Nifty – Close
	NSE	NSE	NSE	NSE
April, 2014	859.00	780.00	789.70	6,696.40
May, 2014	811.05	746.05	754.75	7,229.95
June, 2014	772.00	670.00	698.45	7,611.35
July, 2014	737.50	675.00	705.10	7,721.30
August, 2014	757.80	695.10	707.25	7,954.35
September, 2014	744.35	683.10	712.25	7,964.80
October, 2014	720.65	615.65	698.35	8,322.20
November, 2014	801.60	682.35	783.80	8,588.25
December, 2014	855.00	734.00	835.40	8,282.70
January, 2015	1,055.40	821.00	975.05	8,808.90
February, 2015	1,024.00	918.15	998.85	8,901.85
March, 2015	1,045.00	945.35	1,000.30	8,491.00

(Market Price data source: www.nseindia.com)

Graphical representation of the Company's Shares in comparison to broad-based indices i.e., NSE Nifty, is given below:



Share Transfer System

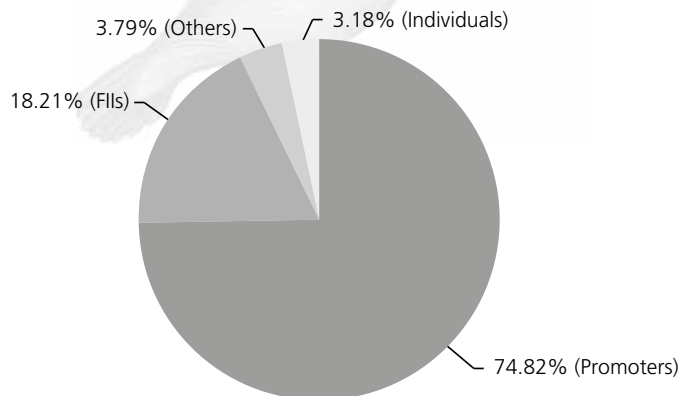
All matters pertaining to Share Transfer are being handled by Integrated Enterprises (India) Limited, the Registrar and Share Transfer Agent of the Company. The Share Transfer requests received are processed by them and a Memorandum of Transfer is sent to the Company for approval. Time taken for processing Share Transfer requests including dispatch of Share Certificates is 10 days, while it takes a minimum of 10-12 days for processing dematerialization requests. The Company regularly monitors and supervises the functioning of the system so as to ensure that there are no delays or lapses in the system.

The distribution of shareholding as on March 31, 2015 is furnished below:

Category (Rs.)	No. of Shareholders	% (Percentage)	No. of Shares held	% (Percentage)
Up to 5000	31,716	98.77	7,326,549	2.77
5001 – 10000	136	0.42	1,009,989	0.38
10001 – 20000	79	0.25	1,128,493	0.43
20001 – 30000	29	0.09	709,499	0.27
30001 – 40000	13	0.04	457,866	0.17
40001 – 50000	12	0.04	556,248	0.21
50001 - 100000	33	0.10	2,334,108	0.88
100001 and Above	93	0.29	250,882,397	94.89
TOTAL	32,111	100.00	264,405,149	100.00

Shareholding Pattern as on March 31, 2015

Category	No. of Shares held	Percentage of Shareholding
Promoters		
Indian	94,686,930	35.81
Foreign	103,147,740	39.01
Sub-Total	197,834,670	74.82
Foreign Institutional Investors (FIIs)	48,143,854	18.21
Individuals	8,417,274	3.18
Others		
Mutual Funds	4,230,346	1.60
Banks / Financial Institution	35,149	0.01
Central / State Governments	660	0.00
Insurance Companies	Nil	Nil
Bodies Corporate	4,980,974	1.89
Trust	255,461	0.10
NRI	477,545	0.18
Clearing Members	27,336	0.01
Overseas Corporate Bodies	1,880	0.00
Qualified Foreign Investors	—	—
Sub-Total	66,570,479	25.18
Total	264,405,149	100.00

Pie-chart of Shareholding Pattern


The particulars of Equity Shares of the Company held by the Directors are furnished below:

Sl. No.	Name	Number of Equity Shares held	
		As on March 31, 2015	As on March 31, 2014
1.	Dr. Vijay Mallya	21,353,620	21,353,620
2.	Mr. Kalyan Ganguly *	14,690	14,690
3.	Mr. Sunil Alagh	—	3,000

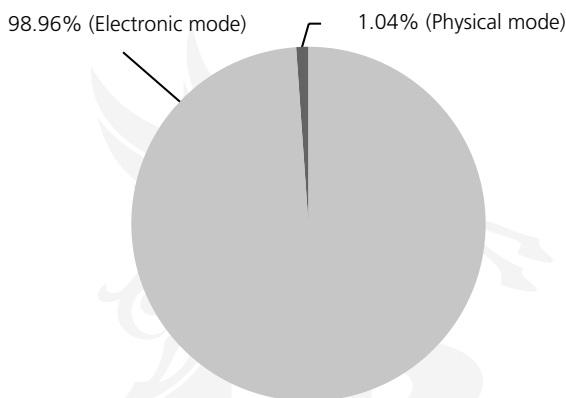
* Mr. Shekhar Ramamurthy replaces Mr. Kalyan Ganguly as Managing Director w.e.f. August 01, 2015. Mr. Shekhar Ramamurthy holds 1,150 Equity Shares in UBL.

Dematerialization of Shares

The Company has set up requisite facilities for dematerialization of its Equity Shares in accordance with the provisions of the Depositories Act, 1996 with National Securities Depository Limited and Central Depository Services (India) Limited. The Company has entered into agreements with both the Depositories for the benefit of Shareholders. The International Securities Identification Number (ISIN) allotted to Equity Shares of the Company is INE686F01025. The status of Dematerialization of the Company's Shares as on March 31, 2015 is as under:

Mode	No. of Shares	% age	No. of Shareholders
Physical mode	2,755,315	1.04	11,078
Electronic mode	261,649,834	98.96	21,033
TOTAL	264,405,149	100.00	32,111

Shares held in physical and demat form as on March 31, 2015



For any assistance regarding Share Transfers, Transmissions, change of address, issue of duplicate / lost Share Certificates/ exchange of Share Certificate / Dematerialization and other relevant matters, please write to the Registrar and Share Transfer Agent of the Company, at the address given below:

INTEGRATED ENTERPRISES (INDIA) LIMITED

30, RAMANA RESIDENCY, 4TH CROSS, SAMPIGE ROAD, MALLESWARAM,
BENGALURU - 560 003.

Tel.No.: (+91-080) 2346 0815 to 2346 0818 Fax No.: (+91-080) 2346 0819

CIN:U65993IN1987PLC014963 Email: bglsta@integratedindia.in

Contact Person: MR. VIJAYAGOPAL

Investors can also post their queries to 'ublinvestor@ubmail.com'

Additional information on Corporate Governance Report is attached as **Annexure - H** to this Report.

Independent Auditor's Report

To the Members of United Breweries Limited

Report on the Financial Statements

We have audited the accompanying standalone financial statements of United Breweries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015, its profit, and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

Independent Auditor's Report contd.

- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of section 164(2) of the Act;
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 7 and 19 to the financial statements;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 7 to the financial statements;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W
per Mahendra Jain
Partner
Membership Number: 205839
Place of signature: Bengaluru
Date: May 28, 2015

UNITED BREWERIES LIMITED

Annexure 1 referred to in paragraph 1 under "Report on Other Legal and Regulatory Requirements" of our report of even date

Re: United Breweries Limited ('the Company')

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (ii) (a) The inventory (excluding inventories with outside parties) has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. Inventories lying with outside parties have been confirmed by them as at year end.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory. Discrepancies noted on physical verification of inventories were not material, and have been properly dealt with in the books of account.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of clause 3(iii)(a) and (b) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us and having regard to the explanation that purchases of certain items of inventories and fixed assets are of proprietary nature for which alternative sources are not available to obtain comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. However, the management of the Company is in the process of further strengthening the documentation in respect of execution of contracts and sales promotion expenses. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas.
- (v) The Company has not accepted any deposits from the public.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under clause 148(1) of the Act, for the products/services of the Company.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, wealth-tax, sales-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities.
- (b) According to the information and explanations given to us, no undisputed dues in respect of provident fund, employees' state insurance, income-tax, wealth-tax, sales-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

Independent Auditor's Report contd.

- (c) According to the records of the Company, the dues outstanding of income tax, sales-tax, wealth tax, service tax, customs duty, excise duty, value added tax and cess on account of any dispute, are as follows:

Name of the statute	Nature of the dues	Amount (Rs. in Lakhs)	Payment under protest (Rs. in Lakhs)	Period to which the amount relates	Forum where dispute is pending
The Income Tax Act, 1961	Disallowance of expenses	515	—	FY 2006-07 and 2008-09	Commissioner of Income Tax
		5,162	1,333	FY 2002-03 to 2010-11	Commissioner of Income Tax (Appeals)
		5,136	1,240	FY 2002-03 and 2009-10	Income Tax Appellate Tribunal
		19	19	FY 2003-04	High Court of Karnataka
		20	—	FY 2001-02	High Court of Madras
The Finance Act, 1994	Service tax	2,192	96	2009-10 to 2011-12	Commissioner of Customs and Central Excise, Aurangabad
		2,273	—	2010-11	Commissioner of Service Tax, Bangalore
		7,220	—	2004-05 to 2010-11	Customs, Excise and Service Tax Appellate Tribunal
The Central Excise Act, 1944	Disallowance of cenvat credit	1	—	2007-08	Commissioner (Appeals) Central Excise, Chandigarh
		9	9	2005-06 to 2007-08	Customs, Excise and Service Tax Appellate Tribunal
State Excise (various statutes)	Storage and privilege fees, excise duty, etc.	43	13	1988-89	High Court of Calcutta
		218	150	1999-00 to 2005-06	High Court of Karnataka
		3	—	2000-01 to 2003-04	Excise Commissioner, Karnataka
Sales Tax (various statutes)	Sales tax/value added tax	84	—	2007-08 to 2008-09	High Court of Karnataka
		51	—	2008-09 to 2011-12	Joint Commissioner of Commercial Taxes (Appeal), Patna
		63	—	2002-03	Jt. Excise and Taxation Commissioner (Appeals), Faridabad
		83	—	2006-07 and 2009-10	Sales Tax Appellate Tribunal, Karnataka
		10	4	2005-06 to 2007-08	Sales Tax Appellate Tribunal, Andhra Pradesh
		3	—	2008-09	The Commercial Taxes Tribunal, Bihar
		19	8	2003-04	Maharashtra Sales Tax Tribunal
		3,000	1,245	2001-02 to 2013-14	Rajasthan Tax Board, Ajmer

- (d) According to the information and explanations given to us, the amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder has been transferred to such fund within time.
- (viii) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (ix) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution or bank. The Company did not have any outstanding dues in respect of debenture holders during the year.
- (x) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xi) Based on information and explanations given to us by the management, term loans were applied, on an overall basis, for the purpose for which the loans were obtained, though idle/surplus funds which were not required for immediate utilization have been gainfully invested in liquid investments payable on demand. The maximum amount of idle/surplus funds invested during the year was Rs. 10,000 Lakhs, of which Rs. Nil was outstanding at the end of the year.
- (xii) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W

per Mahendra Jain
Partner
Membership Number: 205839

Place of signature: Bengaluru
Date: May 28, 2015

Balance Sheet as at March 31, 2015

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	Notes	As at March 31, 2015	As at March 31, 2014
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	2,644	10,051
Reserves and surplus	4	182,319	160,535
		184,963	170,586
Non-current liabilities			
Long-term borrowings	5	51,156	52,754
Deferred tax liabilities (net)	6	6,636	7,954
Long-term provisions	7	517	550
		58,309	61,258
Current liabilities			
Short-term borrowings	8	18,758	48,891
Trade payables	9	34,274	20,941
Other current liabilities	10	79,763	78,700
Short-term provisions	7	11,996	9,204
		144,791	157,736
Total		388,063	389,580
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	11	177,022	158,509
Intangible assets	11	4,062	2,183
Capital work-in-progress		9,016	8,227
Non-current investments	12	2,547	2,547
Long-term loans and advances	13	19,239	17,386
Other non-current assets	14	443	564
		212,329	189,416
Current assets			
Inventories	15	55,838	54,328
Trade receivables	16	96,428	95,860
Cash and bank balances	17	1,076	14,248
Short-term loans and advances	13	22,344	35,608
Other current assets	14	48	120
		175,734	200,164
Total		388,063	389,580
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For and on behalf of the Board of Directors of
United Breweries Limited

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W

Kalyan Ganguly
Managing Director

Henricus Petrus van Zon
Director, CFO

per Mahendra Jain
Partner
Membership Number: 205839

Govind Iyengar
Company Secretary

Place: Bengaluru, May 28, 2015

Place: Bengaluru, May 28, 2015

Statement of Profit and Loss for the year ended March 31, 2015

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	Notes	March 31, 2015	March 31, 2014
INCOME			
Revenue from operations (gross)	21	8,23,868	7,26,184
Less: Excise duty		3,54,639	3,02,634
Revenue from operations (net)		4,69,229	4,23,550
Other income	22	3,759	1,513
Total		4,72,988	4,25,063
EXPENSES			
Cost of materials consumed	23	1,86,883	1,72,572
Purchases of traded goods	24	5,593	3,360
Increase in inventories of finished goods, work-in-progress and traded goods	25	(1,565)	(1,025)
Employee benefits expense	26	29,737	25,946
Depreciation and amortisation expense	11	20,739	19,767
Finance costs	27	7,299	7,983
Other expenses	28	1,86,505	1,63,046
Total		4,35,191	3,91,649
Profit before tax		37,797	33,414
Tax expenses			
Current tax		12,791	10,354
Deferred tax charge [refer note 2.1(a)]		(947)	499
Total tax expenses		11,844	10,853
Profit for the year		25,953	22,561
Earnings per equity share in Rs.	34		
[nominal value per share Re.1 (Previous year: Re.1)]			
Basic		9.71	8.43
Diluted		9.71	8.43
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For and on behalf of the Board of Directors of
United Breweries Limited

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W

Kalyan Ganguly
Managing Director

Henricus Petrus van Zon
Director, CFO

per Mahendra Jain
Partner
Membership Number: 205839

Govind Iyengar
Company Secretary

Place: Bengaluru, May 28, 2015

Place: Bengaluru, May 28, 2015

Cash Flow Statement for the year ended March 31, 2015

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	Notes	March 31, 2015	March 31, 2014
A Cash flow from operating activities			
Profit before tax		37,797	33,414
Adjustments for:			
Depreciation and amortisation expense	20,739		19,767
Bad debts/advances written off	83		29
Provision for doubtful debts	616		376
Provision for doubtful advances	3		52
Net loss/(gain) on sale of fixed assets	41		(11)
Liabilities no longer required written back	(517)		(741)
Provision for doubtful debts, no longer required written back	(773)		(14)
Provision for doubtful advances, no longer required written back	—		(6)
Interest expenses	7,196		7,820
Interest income	(763)		(169)
Dividend income	(9)	26,616	—
Operating profits before working capital changes		64,413	60,517
Movement in working capital:			
Increase/(decrease) in trade payables	13,846		(3,279)
Increase/(decrease) in other current liabilities and provisions	9,816		8,097
(Increase)/decrease in inventories	(1,510)		(3,065)
(Increase)/decrease in trade receivables	(469)		(14,892)
(Increase)/decrease in loans and advances	11,835		(8,648)
(Increase)/decrease in other assets	129	33,647	294
Cash generated from operations		98,060	39,024
Direct taxes paid (net of refund)		(14,195)	(10,016)
Net cash flow from operating activities (A)		83,865	29,008
B Cash flow from investing activities			
Purchase of fixed assets including capital work-in-progress and capital advances		(40,747)	(21,201)
Proceeds from sale of fixed assets		55	18
Investments in bank deposits (having original maturity of more than three months)		(567)	(247)
Redemption/maturity of bank deposits (having original maturity of more than three months)		7,693	5,345
Interest received		835	340
Dividend received from subsidiary company		9	—
Net cash used in investing activities (B)		(32,722)	(15,745)

Cash Flow Statement contd.

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	Notes	March 31, 2015	March 31, 2014
C Cash flow from financing activities			
Proceeds from long term borrowings		12,121	—
Repayment of long term borrowings		(21,565)	(84)
Redemption of preference share capital		(7,407)	—
Proceeds from/(repayment of) short term borrowings (net)		(30,133)	(6,802)
Interest paid		(7,169)	(7,981)
Dividend paid (including dividend distribution tax)		(3,028)	(2,393)
Net cash flow used in financing activities (C)		(57,181)	(17,260)
Net increase/(decrease) in cash and cash equivalents (A+B+C)		(6,038)	(3,997)
Cash and cash equivalents at the beginning of the year		6,647	10,644
Cash and cash equivalents at the end of the year		609	6,647
Components of cash and cash equivalents			
Cash on hand		30	24
Bank balances on current accounts*		576	4,098
Bank balances on deposit accounts		3	2,525
Total cash and cash equivalents		609	6,647
Summary of significant accounting policies	2.1		

* Includes Rs. 93 Lakhs (Previous Year: Rs. 72 Lakhs) towards unpaid dividend accounts which can be utilised only towards settlement of unpaid dividends.

As per our report of even date

For and on behalf of the Board of Directors of
United Breweries Limited

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W

per Mahendra Jain

Partner

Membership Number: 205839

Place: Bengaluru, May 28, 2015

Kalyan Ganguly
Managing Director

Govind Iyengar

Company Secretary

Place: Bengaluru, May 28, 2015

Henricus Petrus van Zon
Director, CFO

Notes to Financial Statements for the year ended March 31, 2015

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

1. Corporate information

United Breweries Limited ('UBL' or 'the Company') is a public limited company domiciled in India and incorporated under the provisions of the Indian Companies Act. Its shares are listed on Bombay Stock Exchange (BSE), Bangalore Stock Exchange (BgSE) and National Stock Exchange (NSE). The Company is engaged primarily in the manufacture and sale of beer. The Company has manufacturing facilities in India.

2. Basis of preparation of financial statements

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India ('Indian GAAP'). The Company has prepared these financial statements to comply in all material respects with the accounting standards specified under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policy as explained below.

2.1 Summary of significant accounting policies

(a) Change in accounting policy

Pursuant to the notification of Schedule II of the Companies Act, 2013 ("the Act"), by the Ministry of Corporate Affairs effective April 1, 2014, the management has internally reassessed and changed, wherever considered necessary the useful lives of fixed assets for the purpose of computing depreciation, so as to conform to the requirements of the Act. Accordingly, the carrying amount of fixed assets as at April 1, 2014 is being depreciated over the revised remaining useful life of the asset and where the remaining useful life of an asset is nil as on April 1, 2014, the carrying amount of such asset has been recognized as adjustment to the retained earnings as on that date.

Had the Company continued with the previously assessed useful lives, charge for depreciation and amortization expense for the year ended March 31, 2015 would have been lower by Rs. 751 Lakhs and the profit before tax would have been higher by such amount. Further, the carrying value of Rs. 720 Lakhs (net of tax adjustment of Rs. 371 Lakhs), in case of assets with nil revised remaining useful life as at April 1, 2014 has been reduced from the retained earnings as on such date.

(b) Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, as at end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

(c) Tangible fixed assets

Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

The Company adjusts exchange differences arising on translation/settlement of long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset to the cost of the asset and depreciates the same over the remaining life of the asset.

In accordance with MCA circular dated August 9, 2012, exchange differences adjusted to the cost of fixed assets are total differences, arising on long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset, for the period. In other words, the Company does not differentiate between exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other exchange difference.

Gains or losses arising from de-recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

(d) Depreciation on tangible fixed assets

Depreciation on fixed assets is calculated on a straight-line method ("SLM") basis using the useful lives estimated by the management. For the purpose of depreciation calculation, residual value is determined as 5% of the original cost for all the assets, as estimated by the management basis independent assessment by an expert. The Company has used the following useful lives to provide depreciation on its fixed assets:

	Useful life (years)
Factory buildings	30
Other buildings (RCC)	60
Other buildings (Non-RCC)	30
Roads (RCC)	10
Roads (Non-RCC), Fences, etc	5
Plant and machinery	15*
Electrical installations	10
Office equipments	5
Computers	3
Servers and networks	6
Furniture and fixtures	10
Laboratory equipments	10
Vehicles	8 and 10

*In respect of assets used at any time during the year on double shift or triple shift basis, the depreciation for that period is increased by 50% or 100%, respectively.

In respect of following assets, not included above, the useful lives estimated by the management, basis technical assessment, are different from those indicated in Schedule II to the Companies Act, 2013:

- (i) Assets acquired on amalgamation, etc (where original dates of acquisition are not readily available), are depreciated over the remaining useful life of the assets, as certified by an expert.
- (ii) Assets individually costing Rs. 5,000 or less and coolers (included under furniture and fixtures) are depreciated on a straight-line basis over a period of 1 year being useful life, as estimated by the management considering such assets do not have enduring benefits.

Leasehold land is amortized on a straight line basis over the period of lease i.e. 90-99 years. Leasehold improvements are amortized over the lower of useful life of the asset and the remaining period of the lease.

(e) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

Intangible assets are amortized on a straight line basis over the estimated useful economic life. The Company uses a rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use.

Notes to Financial Statements contd.

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

A summary of amortization policies applied to the Company's intangible assets is as below:

	Useful life (years)
Goodwill	5
Licenses and rights	10
Brands	10

(f) Leases

Where the Company is lessee

Leases where the lessor effectively retains, substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as expense in the statement of profit and loss on a straight-line basis over the lease term.

(g) Borrowing costs

Borrowing cost includes interest, exchange differences arising from short-term foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and amortization of ancillary costs incurred in connection with the arrangement of borrowings. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as a part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

(h) Impairment of tangible and intangible assets

The Company assesses at each reporting date whether there is an indication that an asset or group of assets may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of profit and loss, except for previously revalued tangible fixed assets, where the revaluation was taken to revaluation reserve. In this case, the impairment is also recognized in the revaluation reserve up to the amount of any previous revaluation.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

(i) Government grant and subsidies

Grants and subsidies from the government are recognized when there is reasonable assurance that (i) the Company will comply with the conditions attached to them and (ii) the grant/subsidy will be received.

When the grant or subsidy relates to revenue, it is recognized as income on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to an asset, it is recognized as deferred income and released to income in equal amounts over the expected useful life of the related asset.

(j) Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

(k) Inventories

Raw materials, packing materials and bottles, stores and spares are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Work-in-progress and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty.

Traded goods are valued at lower of cost and net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

Cost is determined on a weighted average basis. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

(l) Revenue recognition

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized.

Sale of products

Revenue from sale of products is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on dispatch of the goods from breweries/warehouses and is net of trade discounts. The Company collects sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue.

Excise duty deducted from revenue (gross) is the amount that is included in the revenue (gross) and not the entire amount of liability arising during the year.

Sale of services

Royalty income is recognized at agreed rate on sale of branded products by the licensee, as per the terms of the agreement.

Income from contract manufacturing units

Income from contract manufacturing units is recognized, as per terms of the agreement, when the right to receive the payment is established, usually on sale of goods by the contract manufacturing units to their customers.

Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

Notes to Financial Statements contd.

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

Dividends

Dividend Income is recognized when the Company's right to receive the payment is established on or before the balance sheet date.

(m) Foreign currency transactions

Foreign currency transactions and balances

(i) Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

(iii) Exchange differences

The Company accounts for exchange differences arising on translation/ settlement of foreign currency monetary items as below:

1. Exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset are capitalized and depreciated over the remaining useful life of the asset.
2. Exchange differences arising on other long-term foreign currency monetary items are accumulated in the "Foreign Currency Monetary Item Translation Difference Account (FCMITDA)" and amortized over the remaining life of the concerned monetary item.
3. All other exchange differences are recognized as income or as expenses in the period in which they arise.

For the purpose of 1 and 2 above, the Company treats a foreign monetary item as "long-term foreign currency monetary item", if it has a term of 12 months or more at the date of its origination. The Company has adopted economic hedge accounting whereby only net exchange loss (if any) on the underlying item, after considering exchange gain on hedge is capitalized or accumulated in FCMITDA, as applicable.

In accordance with MCA circular dated August 9, 2012, exchange differences for this purpose, are total differences arising on long-term foreign currency monetary items for the period. In other words, the Company does not differentiate between exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other exchange difference.

(iv) Forward exchange contracts are entered into, to hedge foreign currency risk of an existing asset/ liability.

The premium or discount arising at the inception of forward exchange contract is amortized and recognized as an expense/income over the life of the contract.

Exchange differences on such contracts, except the contracts which are long-term foreign currency monetary items, are recognized in the statement of profit and loss in the period in which the exchange rates change.

Any profit or loss arising on cancellation or renewal of such a forward exchange contract is also recognized as income or as expense for the period. Any gain/ loss arising on forward contracts which are long-term foreign currency monetary items is recognized in accordance with paragraph (iii)(1) and (iii)(2).

(n) Retirement and other employee benefits

(i) Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund.

In respect of certain employees, the Company has established a Provident Fund Trust, which is a defined benefit plan, to which contributions towards provident fund are made each month. The Provident Fund Trust guarantees a specified rate of return on such contributions on a periodical basis. The Company will meet the shortfall in the return, if any, which is determined based on an actuarial valuation carried out, as per projected unit credit method, as at the date of balance sheet. Contributions to provident fund are charged to the statement of profit and loss on an accrual basis.

The Company recognizes contribution payable to the provident fund scheme as expenditure, when an employee renders the related service. If the contribution payable to the scheme for the service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution paid exceeds the contribution due for services received before the balance sheet date, the excess is recognized as an asset.

- (ii) Retirement benefit in the form of superannuation fund is a defined contribution scheme. The Company has established a Superannuation Fund Trust to which contributions are made each month. Such contributions are charged to the statement of profit and loss on an accrual basis. The Company has no other obligations beyond its monthly contributions.
- (iii) The Company operates defined benefit plan for its employees, viz., gratuity. The cost of providing benefits under this plan is determined on the basis of actuarial valuation at each year-end. Actuarial valuation is carried out using the projected unit credit method.
- (iv) Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end.

The Company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where the Company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

- (v) Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

(o) Income taxes

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized. The carrying amount of deferred tax assets are reviewed at each reporting date.

The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

Notes to Financial Statements contd.

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the *Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961*, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT credit entitlement". The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

(p) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(q) Provisions

A provision is recognized when the Company has a present obligation as a result of past events, for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. When the Company expects a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when such reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

(r) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

(s) Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

(t) Derivative instruments

In accordance with the ICAI announcement, derivative contracts, other than foreign currency forward contracts covered under AS 11, is marked to market on a portfolio basis, and the net loss, if any is charged to the statement of profit and loss. Net gain, if any is ignored.

3. SHARE CAPITAL**Authorised shares**

	As at March 31, 2015	<i>As at March 31, 2014</i>
4,12,98,00,000 (Previous year: 4,12,98,00,000) equity shares of Re. 1 each	41,298	41,298
5,86,00,000 (Previous year: 5,86,00,000) preference shares of Rs. 100 each	58,600	58,600
	99,898	99,898

Issued, subscribed and fully paid-up shares

26,44,05,149 (Previous year: 26,44,05,149) equity shares of Re. 1 each	2,644	2,644
Nil (Previous year: 74,07,000) 3% cumulative redeemable preference shares of Rs. 100 each - Series B	—	7,407
	2,644	10,051

a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

	As at March 31, 2015		<i>As at March 31, 2014</i>	
	Nos.	Rs. in Lakhs	Nos.	Rs. in Lakhs
Equity shares				
At the beginning of the year	26,44,05,149	2,644	26,44,05,149	2,644
Issued during the year	—	—	—	—
Outstanding at the end of the year	26,44,05,149	2,644	26,44,05,149	2,644
Preference shares - Series B				
At the beginning of the year	74,07,000	7,407	74,07,000	7,407
Redeemed during the year	74,07,000	7,407	—	—
Outstanding at the end of the year	—	—	74,07,000	7,407

b) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Re. 1 per share. Each holder of equity share is eligible for one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. During the year ended March 31, 2015, the amount of dividend recognised as distributions to equity shareholders is Rs. 2,644 Lakhs (Previous year: Rs. 2,380 Lakhs).

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Terms of redemption of preference shares

74,07,000, 3% cumulative redeemable preference shares-Series B of Rs. 100 each were issued in April 2005 to Scottish & Newcastle India Limited. The preference shares carried dividend @3% per annum. Each holder of preference share were entitled to one vote per share only on resolutions placed before the Company which directly affects the rights attached to these shares.

In the event of liquidation of the Company before redemption of preference shares, the holders of preference shares had priority over equity shares in the payment of dividend and repayment of capital. These shares have been fully redeemed at par on March 31, 2015.

Notes to Financial Statements contd.

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

d) Details of shareholders holding more than 5% of the shares in the Company

Name of the shareholder	As at March 31, 2015		As at March 31, 2014	
	Nos.	% holding in the class	Nos.	% holding in the class
Equity shares of Re.1 each fully paid				
Scottish & Newcastle India Limited	8,99,94,960	34.04%	8,99,94,960	34.04%
United Breweries (Holdings) Limited	3,02,95,911	11.46%	3,02,95,911	11.46%
Dr. Vijay Mallya (including joint holdings)	2,13,53,620	8.08%	2,13,53,620	8.08%
Preference shares of Rs.100 each fully paid – Series B				
Scottish & Newcastle India Limited	—	—	74,07,000	100.00%

As per records of the Company, the above shareholding represents legal ownership of shares.

e) Aggregate number of shares issued for consideration other than cash during period of 5 years immediately preceding the reporting date:

2012-13: 84,89,270 equity shares issued on amalgamation of Scottish and Newcastle India Private Limited.

2011-12: 98,60,211 equity shares issued on amalgamation of Chennai Breweries Private Limited, UB Nizam Breweries Private Limited, Millennium Beer Industries Limited and UB Ajanta Breweries Private Limited.

2010-11: 1,44,96,683 equity shares issued on amalgamation of Millennium Alcobev Private Limited and Empee Breweries Limited.

UNITED BREWERIES LIMITED

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4. RESERVES AND SURPLUS**Capital redemption reserve**

	As at March 31, 2015	<i>As at March 31, 2014</i>
Balance as per last financial statements	17,283	17,283
Add: Transfer from surplus in statement of profit and loss on redemption of preference shares*	7,407	—
Closing balance	24,690	<i>17,283</i>

*Capital redemption reserve had been created in respect of 3% cumulative redeemable preference shares – Series B, redeemed during the year ended March 31, 2015.

Securities premium account

Balance as per last financial statements	62,938	62,938
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General reserve

Balance as per last financial statements	19,527	17,271
Add: Transfer from statement of profit and loss	2,595	2,256
Closing balance	22,122	<i>19,527</i>

Surplus in the statement of profit and loss

Balance as per last financial statements	60,787	43,526
Add: Profit for the year	25,953	22,561
Less: Appropriations		
Proposed final equity dividend [amount per share Re. 1 (Previous year: Re. 0.90)]	(2,644)	(2,380)
Tax on proposed equity dividend	(538)	(404)
Dividend on preference shares [amount per share Rs. 3 (Previous Year: Rs. 3)]	(222)	(222)
Tax on preference dividend	(45)	(38)
Transfer to general reserve	(2,595)	(2,256)
Transfer to capital redemption reserve	(7,407)	—
Depreciation adjustment [net of deferred tax of Rs. 371 Lakhs (Previous Year: Rs. Nil)] [Refer Note 2.1 (a)]	(720)	—
Closing balance	72,569	<i>60,787</i>
Total reserves and surplus	1,82,319	<i>1,60,535</i>

Notes to Financial Statements contd.

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

5. LONG-TERM BORROWINGS

Secured borrowings

Foreign currency term loans

	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
External commercial borrowing from banks	35,211	48,594	13,383	10,540
Term loan from bank	12,120	—	—	10,800
	47,331	48,594	13,383	21,340

Unsecured borrowings

Deferred payment liabilities	3,825	4,160	335	225
	3,825	4,160	335	225

Amount disclosed under the head

"Other current liabilities" (refer note 10)	—	—	(13,718)	(21,565)
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Total	51,156	52,754	—	—
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Secured borrowings

Nature of security	Repayment and other terms
<u>Foreign currency term loans</u>	
DBS Bank Ltd: Rs. 24,643 Lakhs (Previous year: Rs. 24,643 Lakhs) secured by pari-passu charge on all present and future assets of the Company, other than assets of Taloja and Aranvoyal units and current assets of the Company.	Repayable in 9 equal quarterly installments starting from February 27, 2016. The loan carries interest of 9.58% per annum.
Rabobank International: Rs. Nil (Previous year: Rs. 10,540 Lakhs) secured by pari-passu charge on all present and future assets of the Company other than assets of Taloja and Aranvoyal units and current assets of the Company.	Repayable after 3 years from the date of loan i.e., on January 10, 2015. The loan carried interest of 7.15% per annum payable on quarterly basis and has been fully repaid during the year.
Rabobank International: Rs. 13,306 Lakhs (Previous year: Rs. 13,306 Lakhs) secured by pari-passu charge on all movable and immovable assets of the Company located at Goa, Rajasthan, Ludhiana, Dharuhera, Nelamangala, Mangalore, Mysore, Kerala, Andhra Pradesh and Tamilnadu.	Repayable in 3 equal annual installments commencing on February 8, 2017 till February 8, 2019. The loan carries interest of 9.78% per annum payable on quarterly basis.
Rabobank International: Rs. 10,645 Lakhs (Previous year: Rs. 10,645 Lakhs) secured by pari-passu charge on all movable and immovable assets of the Company located at Goa, Rajasthan, Ludhiana, Dharuhera, Nelamangala, Mangalore, Mysore, Kerala, Andhra Pradesh and Tamilnadu.	Repayable after 3 years on February 6, 2016. The loan carries interest of 8.75% per annum payable on quarterly basis.
Citibank: Rs. Nil (Previous year: Rs. 10,800 Lakhs) secured by pari-passu charge on all movable and immovable fixed assets of the Company other than assets of Taloja unit.	Repayable after 24 months from the date of drawal i.e., on February 25, 2015. The loan carried interest of 9.5% per annum payable on monthly basis and has been fully repaid during the year.
Citibank: Rs. 12,120 Lakhs (Previous year: Rs. Nil) secured by pari-passu charge on all movable and immovable fixed assets of the Company other than assets of Taloja unit.	Repayable after 24 months from the date of drawal i.e., on April 28, 2016. The loan carries interest of 9.75% per annum payable on monthly basis.

Unsecured borrowings

Deferred payment liability of Rs. 4,160 Lakhs (Previous year: Rs. 4,385 Lakhs) pertains to sales tax payable to the Government of Maharashtra by virtue of being eligible for deferred payment after having established a manufacturing unit in a notified backward area. This amount is repayable in five equal annual installments on completion of 10 years from the end of respective year to which sales tax liability relates.

6. DEFERRED TAX LIABILITIES (NET)**Deferred tax liability**

Fixed assets: Impact of difference between tax depreciation and depreciation/amortisation charged for the financial reporting

Gross deferred tax liability**Deferred tax asset**

Provision for doubtful debts and advances

Provision for gratuity and compensated absences

Other provisions

Gross deferred tax asset**Net deferred tax liability**

	As at March 31, 2015	As at March 31, 2014
	9,876	10,093
	9,876	10,093
	748	787
	1,728	759
	764	593
	3,240	2,139
	6,636	7,954

7. PROVISIONS

	Long-term		Short-term	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
Provision for employee benefits				
Gratuity	517	550	2,000	296
Compensated absences	—	—	2,476	1,386
	517	550	4,476	1,682
Other provisions				
Provision for proposed dividend and tax thereon	—	—	3,450	3,044
Provision for litigations	—	—	2,041	1,771
Provision for claims	—	—	2,029	2,707
	—	—	7,520	7,522
Total	517	550	11,996	9,204

	At the beginning of the year	Additions during the year	Utilised during the year	Unused amounts reversed	At the end of the year
Provision for litigations	1,771	270	—	—	2,041
	(1,451)	(320)	—	—	(1,771)
Provision for claims	2,707	—	119	559	2,029
	(2,707)	—	—	—	(2,707)

Figures in brackets are of previous year.

Provision for litigations relates to matters which are sub-judice. Although the Company continues to contest these cases, the management believes that outflow of resources embodying economic benefits is probable and hence created provision towards these obligations.

Provision for claims relates to amount expected to be paid as reimbursements. The management believes that outflow of resources embodying economic benefits is probable and hence created provision towards these obligations.

Notes to Financial Statements contd.

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	As at March 31, 2015	As at March 31, 2014
8. SHORT-TERM BORROWINGS		
Secured borrowings		
Indian currency cash credit from banks	3,758	10,389
Indian currency working capital demand loans from banks	—	17,500
	3,758	27,889
Unsecured borrowings		
3,000 (Previous year: Nil) Indian currency commercial papers of Rs. 5,00,000 each	15,000	—
Indian currency short-term loans from banks	—	21,000
Indian currency bank overdraft	—	2
	15,000	21,002
Total	18,758	48,891
Secured borrowings		
Cash credit facilities/working capital demand loans from banks are secured by first pari-passu charge on all current assets of the Company namely stock of raw materials, semi-finished and finished goods, stores and spares not relating to plant and machinery (consumable stores and spares), bills receivable and book debts both present and future. These are repayable on demand and carries interest in the range of 10.75% to 13.00% p.a.		
Unsecured borrowings		
a) Commercial papers are repayable after a term of 60 days from issue and carry interest rate of 9.20% p.a.		
b) Short-term loans from banks were repayable after 30-90 days from the date of respective loan and carried interest in the range of 9.50% to 11.00% p.a. These loans have been fully repaid during the year.		
c) Bank overdraft were repayable on demand and carried interest in the range of 9.92% to 10.05% p.a.		
9. TRADE PAYABLES		
Acceptances	324	199
Trade payables (refer note 20 for details of dues to micro and small enterprises)	33,950	20,742
Total	34,274	20,941
10. OTHER CURRENT LIABILITIES		
Current maturities of long-term borrowings (refer note 5)	13,718	21,565
Liability for capital goods	3,524	2,119
Interest accrued but not due on borrowings	826	799
Security deposits	2,171	1,917
Unpaid dividends*	87	72
Statutory dues payable	12,916	10,714
Advances from customers	2,495	1,844
Advances from commission agents	1,359	2,140
Salaries and bonus payable	1,815	2,581
Other expenses payable	40,852	34,949
Total	79,763	78,700

* There are no amounts due for payment to the Investor Education and Protection Fund under the Companies Act, 2013 as at the year end.

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

11. FIXED ASSETS

	Gross Block				Depreciation / Amortisation				Net Block			
	As at April 1, 2014	Additions	Assets acquired (Refer note 37)	Deletions/ adjustments	As at March 31, 2015	As at April 1, 2014	On Deletions	For the year	Adjusted to Reserves [Refer note 2.1(a)]	As at March 31, 2015	As at March 31, 2015	
Tangible assets												
Freehold land (refer note a)	20,066	—	—	—	20,066	—	—	—	—	—	20,066	
Leasehold land	3,981	5,826	1,590	—	11,397	496	—	54	—	550	10,847	
Buildings (refer note b)	46,061	3,457	848	—	50,366	9,010	—	2,121	838	11,969	38,397	
Leasehold improvements	64	—	—	—	64	64	—	—	—	64	—	
Plant and machinery (refer note b)	1,82,670	19,998	6,148	1,224	2,07,592	89,584	1,142	15,637	31	1,04,110	1,03,482	
Office equipments	1,063	61	—	4	1,120	595	4	127	139	857	263	
Computers	1,227	154	—	28	1,353	706	27	250	37	966	387	
Furniture and fixtures	7,490	1,314	—	28	8,776	5,607	16	1,550	29	7,170	1,606	
Laboratory equipments	2,506	306	—	—	2,812	998	—	222	12	1,232	1,580	
Vehicles	940	66	—	31	975	499	30	107	5	581	394	
Total	2,66,068	31,182	8,586	1,315	3,04,521	1,07,559	1,219	20,068	1,091	1,27,499	1,77,022	
Intangible assets												
Goodwill	6,543	—	—	—	6,543	6,543	—	—	—	6,543	—	
Licenses and rights	7,516	6	2,544	—	10,066	5,333	—	671	—	6,004	4,062	
Brands	631	—	—	—	631	631	—	—	—	631	—	
Total	14,690	6	2,544	—	17,240	12,507	—	671	—	13,178	4,062	
Grand Total	2,80,758	31,188	11,130	1,315	3,21,761	1,20,066	1,219	20,739	1,091	1,40,677	1,81,084	
Previous year												
	Gross Block				Depreciation / Amortisation				Net Block			
	As at April 1, 2013	Additions	Assets acquired	Deletions/ adjustments	As at March 31, 2014	As at April 1, 2013	On Deletions	For the year	Adjusted to Reserves	As at March 31, 2014	As at March 31, 2014	
Tangible assets												
Freehold land (refer note a)	20,063	3	—	—	20,066	—	—	—	—	—	20,066	
Leasehold land	3,795	186	—	—	3,981	454	—	42	—	496	3,485	
Buildings (refer note b)	44,012	2,049	—	—	46,061	7,606	—	1,404	—	9,010	37,051	
Leasehold improvements	64	—	—	—	64	64	—	—	—	64	—	
Plant and machinery (refer note b)	1,66,353	16,416	—	99	1,82,670	73,290	99	16,393	—	89,584	93,086	
Office equipments	1,023	44	—	4	1,063	503	4	96	—	595	468	
Computers	829	415	—	17	1,227	601	16	121	—	706	521	
Furniture and fixtures	6,568	966	—	44	7,490	4,765	38	880	—	5,607	1,883	
Laboratory equipments	2,235	271	—	—	2,506	753	—	245	—	998	1,508	
Vehicles	894	46	—	—	940	424	—	75	—	499	441	
Total	2,45,836	20,396	—	164	2,66,068	88,460	157	19,256	—	1,07,559	1,58,509	
Intangible assets												
Goodwill	6,543	—	—	—	6,543	6,543	—	—	—	6,543	—	
Licenses and rights	6,845	671	—	—	7,516	4,823	—	510	—	5,333	2,183	
Brands	631	—	—	—	631	630	—	1	—	631	—	
Total	14,019	671	—	—	14,690	11,996	—	511	—	12,507	2,183	
Grand Total	2,59,855	21,067	—	164	2,80,758	1,00,456	157	19,767	—	1,20,066	1,60,692	
Notes:												
a) Land measuring 9.04 acres with cost of Rs. 72 Lakhs (Previous year: Rs. 72 Lakhs) is pending registration in the name of the Company.												
b) Buildings and Plant and machinery additions during the year includes Rs. 170 Lakhs (Previous year: Rs. Nil) and Rs. 878 Lakhs (Previous year: Rs. Nil), respectively towards borrowing costs capitalised during this year.												
Buildings include those constructed on leasehold land as follows:												
											As at March 31, 2015	
											As at March 31, 2014	
Gross block (i)											19,037	15,043
Depreciation charge for the year											1,149	544
Accumulated depreciation (ii)											4,357	3,208
Net block [(i) – (ii)]											14,680	11,835

Notes:

- a) Land measuring 9.04 acres with cost of Rs. 72 Lakhs (Previous year: Rs. 72 Lakhs) is pending registration in the name of the Company.
- b) Buildings and Plant and machinery additions during the year includes Rs. 170 Lakhs (Previous year: Rs. Nil) and Rs. 878 Lakhs (Previous year: Rs. Nil), respectively towards borrowing costs capitalised during this year.
- c) Buildings include those constructed on leasehold land as follows:

	As at March 31, 2015	As at March 31, 2014
Gross block (i)	19,037	15,043
Depreciation charge for the year	1,149	544
Accumulated depreciation (ii)	4,357	3,208
Net block [(i) - (ii)]	14,680	11,835

Notes to Financial Statements contd.

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

12. NON-CURRENT INVESTMENTS

(unquoted, valued at cost unless otherwise stated)

Trade investments

Equity instruments

Investments in subsidiary company

	As at March 31, 2015	As at March 31, 2014
Maltex Malsters Limited ('MML') [22,950 (Previous year: 22,950) equity shares of Rs. 100 each]	4,500	4,500
Less: Provision for diminution in value of investments*	(1,959)	(1,959)
	2,541	2,541

Investment in associate

Kingfisher East Bengal Football Team Private Limited (Formerly, United East Bengal Football Team Private Limited) [4,999 (Previous year: 4,999) equity shares of Rs. 10 each]	1	1
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Non-trade investments

Equity instruments

The Zoroastrian Co-operative Bank Limited [2,000 (Previous year: 2,000) equity shares of Rs. 25 each]	1	1
SAB Miller India Limited (Formerly, Skol Breweries Limited) [300 (Previous year: 300) equity shares of Rs. 10 each]**	0	0
Castle Breweries Limited (Formerly, Jupiter Breweries Industries Limited) [50 (Previous year: 50) equity shares of Rs. 10 each]**	0	0
Mohan Meakin Limited [100 (Previous year: 100) equity shares of Rs. 5 each]**	0	0
Blossom Industries Limited [100 (Previous year: 100) equity shares of Rs. 3 each]**	0	0
The Cosmos Co-operative Bank Limited [1,000 (Previous year: 1,000) equity shares of Rs. 100 each]	1	1

In Government securities

National savings certificate	18	18
Less: Provision for diminution in value of investments	(15)	(15)
	3	3

Total

2,547 **2,547**

* The diminution in value of investment in MML is due to continued delay in obtaining necessary approvals to expand malting facility at MML, leading to losses due to high overhead costs incurred on operating at its current level of capacity. In view of management, no further provision for diminution is considered necessary as at March 31, 2015.

** Rounded off.

Aggregate amount of unquoted investments (net)	2,547	2,547
Aggregate provision for diminution in value of investments	1,974	1,974

13. LOANS AND ADVANCES**Unsecured, considered good**

	Long-term		Short-term	
	As at	As at	As at	As at
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Capital advances	3,039	3,994	—	—
Security deposits	3,352	3,614	1,950	1,354
Advance to suppliers	2,851	2,649	1,441	1,415
Advance to related party	—	—	27	—
Prepaid expenses	175	131	5,904	5,237
Balance with statutory/government authorities	1,504	182	12,811	27,035
Other loans and advances				
Advance income tax (net of provision)	8,140	6,736	—	—
Other advances recoverable in cash or kind	178	80	211	567
	19,239	17,386	22,344	35,608

Unsecured, considered doubtful

Capital advances	76	74	—	—
Security deposits	16	15	—	—
Advance to suppliers	55	55	—	—
Advance to Star Investments Private Limited*	597	597	—	—
Provision for doubtful advances	(744)	(741)	—	—
	19,239	17,386	22,344	35,608

Total

* The Company had entered into an agreement with the promoters of Balaji Distilleries Limited ('BDL') with a view to secure perpetual usage of its brewery and grant of first right of refusal in case of sale or disposal of its brewery unit. In respect of the same, the Company had made a refundable advance of Rs. 15,500 Lakhs to Star Investments Private Limited ('Star'), one of the promoter companies of BDL. Subsequently, pursuant to a scheme of arrangement, BDL demerged its brewery into Chennai Breweries Private Limited ('CBPL') which was later merged with the Company. The Company then entered into an agreement with Star and extended the repayment of this advance including interest thereon. The principal amount had been repaid and the remaining unpaid interest thereon of Rs. 597 Lakhs, had been fully provided for.

14. OTHER ASSETS**Unsecured, considered good**

	Non-current		Current	
	As at	As at	As at	As at
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Bank deposits with original maturity of more than 12 months	13	7	—	—
Margin money deposits towards bank guarantees	102	100	—	—
Interest accrued on fixed deposits, loans and advances	—	—	48	120
Government grant receivable	328	457	—	—
Total	443	564	48	120

Notes to Financial Statements contd.

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

15. INVENTORIES

(valued at lower of cost and net realisable value)

	As at March 31, 2015	As at March 31, 2014
Raw materials [Includes in transit: Rs. 173 Lakhs (Previous year: Rs. 122 Lakhs)]	13,056	17,470
Packing materials and bottles [Includes in transit: Rs. 301 Lakhs (Previous year: Rs. 435 Lakhs)]	6,288	5,002
Work-in-progress	19,738	18,229
Finished goods*	11,450	8,808
Traded goods	148	57
Stores and spares [Includes in transit: Rs. 130 Lakhs (Previous year: Rs. 126 Lakhs)]	5,158	4,762
Total	55,838	54,328

* Net of provision for obsolete stock Rs. 196 Lakhs (Previous year: Rs. 50 Lakhs).

16. TRADE RECEIVABLES

Secured, considered good

- Outstanding for a period exceeding six months from the date they are due for payment	1,782	613
- Others	158	8
	<u>1,940</u>	<u>621</u>

Unsecured, considered good

- Outstanding for a period exceeding six months from the date they are due for payment	—	—
- Others	94,488	95,239
	<u>94,488</u>	<u>95,239</u>

Unsecured, considered doubtful

- Outstanding for a period exceeding six months from the date they are due for payment	907	1,157
- Others	511	418
	<u>1,418</u>	<u>1,575</u>
Less: Provision for doubtful receivables	(1,418)	(1,575)
Total	96,428	95,860

17. CASH AND BANK BALANCES**Cash and cash equivalents**

	As at March 31, 2015	As at March 31, 2014
Bank balances on current accounts [refer note (a) below]	576	4,098
Bank deposits with original maturity of 3 months or less	3	2,525
Cash on hand	30	24
	609	6,647

Other bank balances

[refer note (b) below]

Bank deposits with original maturity of:

Less than 12 months but more than 3 months	384	7,515
Greater than 12 months	83	86
	467	7,601

Total

	1,076	14,248
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Notes:

a) Includes balance in unpaid dividend account Rs. 93 Lakhs (Previous year: Rs. 72 Lakhs).

b) Other bank balances excludes bank deposits with remaining maturity of more than 12 months and margin money deposits (refer note 14).

18. CAPITAL AND OTHER COMMITMENTS

Estimated amount of contract remaining to be executed (net of capital advances) on capital account and not provided for	13,444	10,065
Commitment to acquire assets of Pacific Spirits Private Limited, subject to fulfillment of certain conditions	—	10,500
Other contractual commitments	1,901	1,475
	15,345	22,040

For commitments relating to lease arrangements, refer note 35.

19. CONTINGENT LIABILITIES

Bank guarantees	2,690	2,615
Letter of credit	1,111	1,386
Demands under appeal for following matters*		
- Income tax	14,064	13,181
- Service tax	22,929	34,437
- Water charges	3,737	3,317
- Sales tax	7,050	356
- Excise duty	66	66
- Employee state insurance/provident fund	16	16
Claims against the company not acknowledged as debts*	1,121	1,058
Total	52,784	56,432

Notes to Financial Statements contd.

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

* The Company is contesting these demands and the management, with the advise of its advisors, believes that its position will likely be upheld in the appellate process. No expense has been accrued in the financial statements for these demands raised. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and results of operations. The Company does not expect any reimbursements in respect of the above contingent liabilities.

In addition, the Company is subject to legal proceedings and claims, which have arisen in the ordinary course of business. The Company's management reasonably does not expect that these legal actions, when ultimately concluded and determined, will have material effect on the Company's results of operations or financial condition.

	As at March 31, 2015	As at March 31, 2014
20. DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER THE MSMED ACT, 2006		
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
- Principal amount due to micro and small enterprises	385	335
- Interest due on above	4	1
Total	389	336
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	—	—
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	—	—
The amount of interest accrued and remaining unpaid at the end of each accounting year	28	34
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	117	89
Note: The information given above is to the extent such parties have been identified by the Company on the basis of information disclosed by the suppliers.		

	March 31, 2015	March 31, 2014
21. REVENUE FROM OPERATIONS		
Sale of products*	7,71,925	6,81,484
Sale of services**	683	504
Other operating revenue	51,260	44,196
Revenue from operations (gross)	8,23,868	7,26,184
Less: Excise duty	3,54,639	3,02,634
Revenue from operations (net)	4,69,229	4,23,550

* Includes sale of beer Rs. 7,66,369 Lakhs (Previous year: Rs. 6,76,697 Lakhs) and sale of malt Rs. 5,556 Lakhs (Previous year: Rs. 4,787 Lakhs).

** Royalty income

	March 31, 2015	<i>March 31, 2014</i>
22. OTHER INCOME		
Interest income on fixed deposits, loans and advances	763	169
Dividend income on investment in subsidiary company	9	—
Net gain on sale of fixed assets	—	11
Government grant (industrial promotion subsidy)	1,090	—
Liabilities no longer required written back	517	741
Provision for doubtful debts, no longer required written back	773	14
Provision for doubtful advances, no longer required written back	—	6
Other non-operating income	607	572
Total	3,759	1,513
23. COST OF MATERIALS CONSUMED		
Raw materials		
Inventories at the beginning of the year	17,470	17,176
Add: Purchases	65,331	65,712
Less: Inventories at the end of the year	(13,056)	(17,470)
Consumption	69,745	65,418
Packing materials and bottles		
Inventories at the beginning of the year	5,002	6,421
Add: Purchases	1,18,424	1,05,735
Less: Inventories at the end of the year	(6,288)	(5,002)
Consumption	1,17,138	1,07,154
Total	1,86,883	1,72,572
24. PURCHASES OF TRADED GOODS		
Beer	5,593	3,360
25. INCREASE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND TRADED GOODS		
Inventories at the beginning of the year		
Finished goods	8,858	6,888
Traded goods	57	—
Work-in-progress	18,229	16,265
	27,144	23,153
Less: Inventories at the end of the year		
Finished goods	11,646	8,858
Traded goods	148	57
Work-in-progress	19,738	18,229
	31,532	27,144
Increase in inventories	(4,388)	(3,991)
Increase in excise duty on inventories	2,823	2,966
Total	(1,565)	(1,025)

Notes to Financial Statements contd.

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

26. EMPLOYEE BENEFITS EXPENSE*

	March 31, 2015	March 31, 2014
Salaries, wages and bonus	24,168	21,981
Gratuity expense [refer note (i) below]	2,674	1,334
Contribution to provident and other funds [refer note (ii) below]	1,414	1,282
Staff welfare expenses	1,481	1,349
Total	29,737	25,946

* Includes incremental charge of Rs. 2,367 Lakhs (Previous year : Rs. Nil) on account of change in actuarial assumptions in respect of gratuity and compensated absences and is net of reversal of provision no longer required amounting to Rs. 871 (Previous year : Rs. Nil)

(i) The Company operates two defined benefit plans i.e., gratuity and provident fund for its employees. Under the gratuity plan, every employee who has completed at least five years of service gets a gratuity on departure @15 days of last drawn salary for each completed year of service. Under the provident fund benefit plan, the Company contributes to the provident fund trust which guarantees a specified rate of return on such contributions on a periodical basis. The shortfall in the return, if any is borne by the Company. The following table summarises the components of net benefit expenses and the funded status for respective plans:

	Gratuity		Provident fund	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
a) Changes in the present value of the defined benefit obligation				
Obligations at beginning of the year	4,016	2,869	6,656	4,951
Current service cost	332	223	1,398	1,357
Interest cost	359	222	611	490
Past service cost	(13)	—	—	—
Benefits paid	(282)	(368)	(505)	(392)
Actuarial (gain)/loss	2,524	1,070	74	250
Obligations at end of the year	6,936	4,016	8,234	6,656
b) Change in fair value of plan assets				
Plan assets at the beginning of the year	3,170	2,353	6,765	5,303
Expected return on plan assets	291	220	621	490
Contributions during the year	1,003	1,004	1,397	1,357
Benefits paid	(282)	(368)	(505)	(392)
Actuarial gain/(loss)	237	(39)	26	7
Plan assets at end of the year	4,419	3,170	8,304	6,765
Actual return on plan assets	528	181	647	497

	Gratuity		Provident fund	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
c) Benefit asset/(liability)				
Fair value of plan assets	4,419	3,170	8,304	6,765
Present value of the defined benefit obligations	6,936	4,016	8,234	6,656
Benefit asset/(liability)	(2,517)	(846)	70	109
d) Net employee benefit expense recognised in the employee cost				
Current service cost	332	223	1,398	1,357
Interest cost	359	222	611	490
Past service cost	(13)	—	—	—
Expected return on plan assets	(291)	(220)	(621)	(490)
Actuarial (gain)/loss	2287	1109	48	243
Net employee benefit expense*	2,674	1,334	1,436	1,600
* In respect of provident fund trust, since there is no shortfall in defined benefit obligation, the amount recognised in the statement of profit and loss is the amount contributed to provident fund by the Company.				
e) Major category of plan assets as a percentage of fair value of total plan assets				
Government securities	—	—	48%	46%
Corporate bonds	—	—	48%	54%
Fund balance with insurance companies	100%	100%	4%	—
Total	100%	100%	100%	100%
f) The principal assumptions used in determining gratuity and provident fund obligations for the Company plans are as shown below:				
Discount rate	7.80%	9.25%	7.80%	9.25%
Estimated rate of return on plan assets	8.25%	8.25%	8.60% - 9.25%	8.75%-9.75%
Salary increase rate	10.00% - 10.50%	5.00%	10.50%	5.00%
Employee turnover	5.00% - 15.00%	5.00%	5.00% - 15.00%	5.00%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The overall expected rate of return on assets is determined based on the market price prevailing on that date, applicable to the period over which the obligation is to be settled.

The Company expects to contribute Rs. 2,000 Lakhs (Previous year: Rs. 296 Lakhs) and Rs. 1,500 Lakhs (Previous year: Rs. 1,000 Lakhs) to gratuity and provident fund respectively in the next year.

Notes to Financial Statements contd.

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

g) Amounts for current and previous periods are as follows:

	March 31, 2015	<i>March 31, 2014</i>	<i>March 31, 2013</i>	<i>March 31, 2012</i>	<i>March 31, 2011</i>
<u>Gratuity</u>					
Defined benefit obligation	6,936	4,016	2,869	2,219	1,878
Plan assets	4,419	3,170	2,353	1,656	1,639
Surplus/(deficit)	(2,517)	(846)	(516)	(563)	(239)
Experience adjustment on plan liabilities	(472)	1,254	67	(20)	49
Experience adjustment on plan assets	235	(70)	35	(10)	(13)
<u>Provident fund**</u>					
Defined benefit obligation	8,234	6,656	4,951	4,222	
Plan assets	8,304	6,765	5,303	4,303	
Surplus/(deficit)	70	109	352	81	
Experience adjustment on plan liabilities	74	250	(2)	(4)	
Experience adjustment on plan assets	26	7	223	50	

**The year ended March 31, 2012 being the first year of presentation of provident fund details by the Company on issuance of final guidance for measurement of provident fund liabilities by the Actuarial Society of India, the comparative information for year ended March 31, 2011 has not been furnished.

(ii) Contribution to provident and other funds includes the following defined contributions:

	March 31, 2015	<i>March 31, 2014</i>
Provident fund	954	863
Superannuation fund and national pension scheme	413	346
Employees state insurance fund	47	73
Total	1,414	1,282

27. FINANCE COSTS

Interest expense	7,196	7,820
Other borrowing costs	103	163
Total	7,299	7,983

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Notes to Financial Statements contd.

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	March 31, 2015	<i>March 31, 2014</i>
28. OTHER EXPENSES		
Consumption of stores and spares	8,555	6,897
Power and fuel	14,192	14,449
Rent	2,419	1,993
Repairs and maintenance		
Plant and machinery	3,220	2,656
Buildings	357	438
Others	733	459
Insurance	558	539
Rates and taxes	6,169	5,231
Auditor remuneration		
Statutory audit fee	106	91
Limited review fee	25	22
Tax audit fee	17	15
Others	24	36
Sales promotion expenses	77,499	67,487
Outward freight, halting and breakage expenses	33,273	24,524
Selling and distribution expense [net of reversal of Rs. 1,956 Lakhs (Previous year: Rs. 522 Lakhs)]	26,091	24,545
Bad debts/advances written off	83	29
Provision for doubtful debts	616	376
Provision for doubtful advances	3	52
Net loss on sale of fixed assets	41	—
Miscellaneous expenses	12,524	13,207
Total	1,86,505	1,63,046
29. CIF VALUE OF IMPORTS		
Raw materials and packing materials	5,308	4,785
Stores and spares	676	344
Capital goods	3,613	1,099
Total	9,597	6,228
30. EXPENDITURE IN FOREIGN CURRENCY (ACCRUAL BASIS)		
Royalty	139	78
Technical service fees	600	600
Sales promotion expenses	2,626	2,269
Professional expenses	95	156
Interest expense	1,898	1,671
Others	514	285
Total	5,872	5,059

Notes to Financial Statements contd.

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

31. DETAILS OF CONSUMPTION

a) Details of materials consumed

	March 31, 2015	March 31, 2014
Malt	38,101	35,449
Brewing materials	23,641	18,831
Bottles	73,097	69,200
Packing materials	44,041	37,954
Others	8,003	11,138
Total	1,86,883	1,72,572

b) Imported and indigenous materials consumed

Raw materials

Imported	4%	3,122	5%	3,462
Indigenous	96%	66,623	95%	61,956
Total	100%	69,745	100%	65,418

Packing materials

Imported	2%	2,644	2%	2,340
Indigenous	98%	1,14,494	98%	1,04,814
Total	100%	1,17,138	100%	1,07,154

Stores and spares

Imported	4%	361	2%	168
Indigenous	96%	8,194	98%	6,729
Total	100%	8,555	100%	6,897

32. NET DIVIDEND REMITTED IN FOREIGN EXCHANGE

	March 31, 2015	March 31, 2014
Year of remittance (ending on)	2013-14	2012-13
Period to which it relates to	5	5
Number of non-resident shareholders	12,40,98,694	12,02,90,664
Number of equity shares held on which dividend was due	74,07,000	74,07,000
Number of preference shares held on which dividend was due	1,339	1,064
Amount remitted (in equivalent Indian Rupees in Lakhs)		

33. EARNINGS IN FOREIGN CURRENCY (ACCRUAL BASIS)

Sale of services	467	271
------------------	------------	------------

34. EARNINGS PER SHARE (EPS)

The following reflects the profit and share data used in the basic and diluted EPS computation:

	March 31, 2015	March 31, 2014
Profit after tax	25,953	22,561
Less: Dividend on preferential shares (including dividend distribution tax thereon)	(267)	(260)
Net profit attributable to equity shareholders	25,686	22,301
Weighted average number of equity shares considered for calculating basic/diluted EPS	26,44,05,149	26,44,05,149
Earnings per share (Basic/Diluted)	9.71	8.43

35. OPERATING LEASE

The Company has entered into operating lease arrangements for vehicles, computers, equipments, office premises and employee residential premises. These leases are for a period of 11 to 60 months with options of renewal and premature termination with notice period, except in certain leases with lock-in period of 12 to 60 months. There are certain sub-lease restrictions placed upon the Company by entering into these leases. The total lease rentals expense for the year is Rs. 2,419 Lakhs (Previous year: Rs. 1,993 Lakhs). Future minimum rentals payable under non-cancellable operating leases are as follows:

	March 31, 2015	March 31, 2014
Within one year	648	674
After one year but not more than five years	490	1,077
More than five years	—	—
Total	1,138	1,751

36. DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURE**a) Derivatives outstanding as at the reporting date**

Particulars	Purpose	Currency	March 31, 2015		March 31, 2014	
			Foreign currency (in millions)	Rs. in Lakhs	Foreign currency (in millions)	Rs. in Lakhs
Cross currency swaps for INR against USD*	Hedge of foreign currency loans- Principal and interest	USD	115.00	60,714	135.00	69,934
Interest rate swaps*	Hedge against exposure to variable interest outflow on loans	USD	115.00	60,714	135.00	69,934

*Amount disclosed represents the underlying principal amount of loan.

b) Particulars of un-hedged foreign currency exposure as at the reporting date

	March 31, 2015	March 31, 2014
Trade payables	815	1,059
Liability for capital goods	74	13
Advances to suppliers	310	370
Capital advances	344	499

Notes to Financial Statements contd.

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

37. ACQUISITION OF ASSETS OF PACIFIC SPIRITS PRIVATE LIMITED

Pursuant to the approval of the Board of Directors in its meeting held on August 13, 2013, the Company has acquired certain assets of Pacific Spirits Private Limited on September 1, 2014 for an aggregate consideration of Rs.10,500 Lakhs. Accordingly, these assets including cost of such acquisition have been recorded by the Company at their respective values, determined by an independent valuer, as detailed below:

Particulars	Amount (Rs. in Lakhs)*
Leasehold land	1,590
Buildings	848
Plant and machinery	6,148
Licenses and rights	2,544
Total	11,130

*Includes Rs. 630 Lakhs relating to cost of acquisition of these assets.

The aforesaid assets are being depreciated over the remaining useful life of respective assets, as estimated by the management based on certification by an expert.

38. Pursuant to merger of Empee Breweries Limited (EBL), with the Company during the year ended March 31, 2011, the Company is in the process of getting the name of this merged entity changed in the records of state excise and other regulatory authorities. Pending completion of these formalities, the name of merged entity is continued to be used in various documents and records of the Company.

39. CAPITALIZATION OF EXPENDITURE

During the year, the Company has capitalized the following expenses to the cost of fixed asset/capital work-in-progress. Consequently, expenses disclosed under the respective notes are net of amounts capitalized by the Company.

	March 31, 2015	March 31, 2014
Salaries, wages and bonus	216	—
Power and fuel	154	—
Interest expenses (net)	1,048	128
Other expenses	1,512	—
Total	2,930	128

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40. RELATED PARTY DISCLOSURES**A. Name of related parties and related party relationships****Related party where control exists:**

Subsidiary : Maltex Malsters Limited ('MML')

Related parties under AS-18 with whom transactions have taken place during the year:

Associate : Kingfisher East Bengal Football Team Private Limited ('KEBFTPL')
(Formerly, United East Bengal Football Team Private Limited)

Enterprises having significant influence : Scottish & Newcastle India Limited, UK ('SNIL')
United Breweries (Holdings) Limited ('UBHL')

Key management personnel (KMP) : Mr. Kalyan Ganguly, Managing Director
Mr. Henricus Petrus van Zon, Director, CFO

Relative of KMP : Mrs. Suparna Bakshi Ganguly (Wife of Mr. Kalyan Ganguly)

Enterprises over which investing parties
or KMP have significant influence : Heineken UK Limited ('HUL'), holding company of SNIL
Heineken International B.V. ('HIBV')
Heineken Brouwerijen B.V. ('HBBV')
Heineken Supply Chain B.V. ('HSCBV')
Heineken Asia Pacific Pte. Ltd. ('HAPPL')
Asia Pacific Breweries (Singapore) Pte. Ltd. ('APBS')
Heineken Ceska Republika ('HCR')
Force India F1 Team Limited, UK ('Force India')

Additional related parties as per the Companies Act, 2013 with whom transactions have taken place during the year:

Directors : Dr. Vijay Mallya, Chairman
Mr. A K Ravi Nedungadi
Mr. Duco Reinout Hooft Graafland
Mr. Roland Pirmez
Mr. Stephan Gerlich
Mrs. Kiran Majumdar Shaw
Mr. Madhav Bhatkuly
Mr. Chugh Yoginder Pal
Mr. Chhaganlal Jain
Mr. Sunil Alagh

Key management personnel (KMP): : Mr. Govind Iyenger, Company Secretary

Relative of director or KMP : Mr. Umesh Hingorani
Mrs. Jenbagalakshmi Iyenger (Wife of Mr. Govind Iyenger)

Private companies in which a director is a
director (included in 'Others' below) : Royal Challengers Sports Private Limited ('RCSPL')

Body corporate/Private companies whose
Board of directors is accustomed to act
in accordance with advise, directions or
instructions of a director (included in
'Others' below) : United Breweries International (UK) Limited, UK ('UBIUK')
Mandwa Farms Private Limited ('MFPL')
H. Parson Private Limited ('HPPL')
UB Air Private Limited ('UBAPL')
Blitz Publications Private Limited ('BPPL')
Blitz Multimedia Private Limited ('BMPL')
United Spirits Limited ('USL')

Notes to Financial Statements contd.

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

B. Transactions with related parties during the year along with balances as at year end:

	Subsidiary	Associate		Enterprises having significant influence		Directors, KMP & their relatives		Enterprises over which investing parties or KMP have significant influence		Others	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014	March 31, 2015
a) Transactions during the year											
Sale of products											
UBHL	—	—	—	—	329	421	—	—	—	—	—
HPPL	—	—	—	—	—	—	—	—	11,310	11,700	—
	—	—	—	—	329	421	—	—	11,310	11,700	—
Royalty income											
UBIUK	—	—	—	—	—	—	—	—	140	—	—
	—	—	—	—	—	—	—	—	140	—	—
Purchase of materials											
HUL	—	—	—	—	—	—	—	5	4	—	—
HSCBV	—	—	—	—	—	—	—	3	5	—	—
USL	—	—	—	—	—	—	—	—	—	6	59
	—	—	—	—	—	—	—	8	9	6	59
Processing charges paid											
MML	1,537	1,704	—	—	—	—	—	—	—	—	—
	1,537	1,704	—	—	—	—	—	—	—	—	—
Sales promotion expenses											
KEBFTPL	—	—	925	1,022	—	—	—	—	—	—	—
UBHL	—	—	—	—	29	—	—	—	—	—	—
Force India	—	—	—	—	—	—	—	2,285	1,799	—	—
HIBV	—	—	—	—	—	—	—	8	—	—	—
HBBV	—	—	—	—	—	—	—	13	21	—	—
RCSPL	—	—	—	—	—	—	—	—	—	600	484
HPPL	—	—	—	—	—	—	—	—	—	389	321
BMPL	—	—	—	—	—	—	—	—	—	7	—
	—	—	925	1,022	29	—	—	2,306	1,820	996	805
Rent expense											
UBHL	—	—	—	—	68	68	—	—	—	—	—
MFPL	—	—	—	—	—	—	—	—	—	155	—
BPPL	—	—	—	—	—	—	—	—	—	38	38
USL	—	—	—	—	—	—	—	—	—	2	2
Mrs. Suparna Ganguly	—	—	—	—	—	—	26	44	—	—	—
Mrs. Jenbagalakshmi	—	—	—	—	—	—	13	23	—	—	—
	—	—	—	—	68	68	39	67	—	195	40

	Subsidiary		Associate		Enterprises having significant influence		Directors, KMP & their relatives		Enterprises over which KMP have significant influence			Others	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014	March 31, 2014	March 31, 2015	March 31, 2014
Technical service fees													
HIBV	—	—	—	—	—	—	—	—	600	600	—	—	—
	—	—	—	—	—	—	—	—	600	600	—	—	—
Royalty paid													
UBHL	—	—	—	—	674	674	—	—	—	—	—	—	—
HBBV	—	—	—	—	—	—	—	—	139	78	—	—	—
	—	—	—	—	674	674	—	—	139	78	—	—	—
Consultancy fees paid													
HSCBV	—	—	—	—	—	—	—	—	71	108	—	—	—
HIBV	—	—	—	—	—	—	—	—	1	27	—	—	—
HBBV	—	—	—	—	—	—	—	—	—	19	—	—	—
	—	—	—	—	—	—	—	—	72	154	—	—	—
Aircraft charges paid													
UBAPL	—	—	—	—	—	—	—	—	—	—	634	700	700
	—	—	—	—	—	—	—	—	—	—	634	700	700
Reimbursements received													
UBHL	—	—	—	—	7	5	—	—	—	—	—	—	—
HPPL	—	—	—	—	—	—	—	—	—	—	9	14	14
USL	—	—	—	—	—	—	—	—	—	—	51	44	44
	—	—	—	—	7	5	—	—	—	—	60	58	58
Reimbursements paid													
MML	19	32	—	—	—	—	—	—	—	—	—	—	—
UBHL	—	—	—	—	11	25	—	—	—	—	—	—	—
HIBV	—	—	—	—	—	—	—	—	168	172	—	—	—
HCR	—	—	—	—	—	—	—	—	44	—	—	—	—
HAPPL	—	—	—	—	—	—	—	—	3	—	—	—	—
APBS	—	—	—	—	—	—	—	—	1	—	—	—	—
HPPL	—	—	—	—	—	—	—	—	—	—	52	264	264
USL	—	—	—	—	—	—	—	—	—	—	19	9	9
	19	32	—	—	11	25	—	—	216	172	71	273	273
Interest paid													
MML	17	31	—	—	—	—	—	—	—	—	—	—	—
	17	31	—	—	—	—	—	—	—	—	—	—	—

Notes to Financial Statements contd.

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	Subsidiary		Associate		Enterprises having significant influence		Directors, KMP & their relatives		Enterprises over which investing parties or KMP have significant influence			Others	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014	March 31, 2014	March 31, 2015	March 31, 2014
Remuneration paid													
Mr. Kalyan Ganguly	—	—	—	—	—	—	844	581	—	—	—	—	—
Mr. Henricus Petrus van Zon	—	—	—	—	—	—	690	491	—	—	—	—	—
Mr. Govind Iyenger	—	—	—	—	—	—	117	101	—	—	—	—	—
Mr. Umesh Hingorani	—	—	—	—	—	—	86	68	—	—	—	—	—
	—	—	—	—	—	—	1,737	1,241	—	—	—	—	—
Sitting fee paid													
Dr. Vijay Mallia	—	—	—	—	—	—	3	1	—	—	—	—	—
Mr. A K Ravi Nedungadi	—	—	—	—	—	—	4	1	—	—	—	—	—
Mr. Duco Reinout Hooft Graatland	—	—	—	—	—	—	1	—	—	—	—	—	—
Mr. Roland Pirmez	—	—	—	—	—	—	1	—	—	—	—	—	—
Mr. Stephan Gerlich	—	—	—	—	—	—	1	—	—	—	—	—	—
Mrs. Kiran Majumdar Shaw	—	—	—	—	—	—	3	1	—	—	—	—	—
Mr. Madhav Bhatkuly	—	—	—	—	—	—	1	1	—	—	—	—	—
Mr. Chugh Yoginder Pal	—	—	—	—	—	—	6	2	—	—	—	—	—
Mr. Chhaganlal Jain	—	—	—	—	—	—	6	2	—	—	—	—	—
Mr. Sunil Alagh	—	—	—	—	—	—	5	2	—	—	—	—	—
	—	—	—	—	—	—	31	10	—	—	—	—	—
Director Commission paid													
Dr. Vijay Mallia	—	—	—	—	—	—	229	210	—	—	—	—	—
Mr. Stephan Gerlich	—	—	—	—	—	—	25	23	—	—	—	—	—
Mrs. Kiran Majumdar Shaw	—	—	—	—	—	—	25	23	—	—	—	—	—
Mr. Madhav Bhatkuly	—	—	—	—	—	—	25	23	—	—	—	—	—
Mr. Chugh Yoginder Pal	—	—	—	—	—	—	25	23	—	—	—	—	—
Mr. Chhaganlal Jain	—	—	—	—	—	—	25	23	—	—	—	—	—
Mr. Sunil Alagh	—	—	—	—	—	—	25	23	—	—	—	—	—
	—	—	—	—	—	—	379	348	—	—	—	—	—
Redemption of preference shares													
SNIL	—	—	—	—	7,407	—	—	—	—	—	—	—	—
	—	—	—	—	7,407	—	—	—	—	—	—	—	—

Subsidiary	Associate		Enterprises having significant influence		Directors, KMP & their relatives		Enterprises over which KMP have significant influence		Others	
March 31, 2015	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Dividend paid on preference shares										
SNIL	—	—	222	222	—	—	—	—	—	—
	—	—	222	222	—	—	—	—	—	—
Dividend paid on equity shares										
SNIL	—	—	810	630	—	—	—	—	—	—
UBHL	—	—	273	212	—	—	—	—	—	—
Dr. Vijay Malliya	—	—	—	—	189	147	—	—	—	—
HUL	—	—	—	—	—	—	76	59	—	—
HIBV	—	—	—	—	—	—	38	3	—	—
USL	—	—	—	—	—	—	—	—	77	60
	—	—	1,083	842	189	147	114	62	77	60
Dividend received										
MML	9	—	—	—	—	—	—	—	—	—
	9	—	—	—	—	—	—	—	—	—
b) Balances outstanding as at year end										
Preference share capital										
SNIL	—	—	—	7,407	—	—	—	—	—	—
	—	—	—	7,407	—	—	—	—	—	—
Security deposits (liability)										
MML	—	(206)	—	—	—	—	—	—	—	—
	—	(206)	—	—	—	—	—	—	—	—
Trade payables										
MML	(45)	(29)	—	—	—	—	—	—	—	—
KEBFTPL	—	—	(116)	(37)	—	—	—	—	—	—
UBHL	—	—	—	(1,374)	(38)	—	—	—	—	—
HIBV	—	—	—	—	—	—	(540)	(616)	—	—
HBBV	—	—	—	—	—	—	(35)	(21)	—	—
HUL	—	—	—	—	—	—	(1)	—	—	—
UBAPL	—	—	—	—	—	—	—	—	—	(309)
	(45)	(29)	(116)	(37)	(1,374)	(38)	(576)	(637)	—	(309)

Notes to Financial Statements contd.

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	Subsidiary		Associate		Enterprises having significant influence		Directors, KMP & their relatives		Enterprises over which KMP have significant influence		Others	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Investment in equity shares												
MML	4,500	4,500	—	—	—	—	—	—	—	—	—	—
KEBFTPL	—	—	1	1	—	—	—	—	—	—	—	—
	4,500	4,500	1	1	—	—	—	—	—	—	—	—
Provision for diminution in value of investments												
MML	(1,959)	(1,959)	—	—	—	—	—	—	—	—	—	—
	(1,959)	(1,959)	—	—	—	—	—	—	—	—	—	—
Trade receivables												
UBHL	—	—	—	—	6	126	—	—	—	—	—	—
HPPL	—	—	—	—	—	—	—	—	—	—	575	620
	—	—	—	—	6	126	—	—	—	—	575	620
Security deposits												
UBHL	—	—	—	—	2,009	2,009	—	—	—	—	—	—
Mrs. Suparna Ganguly	—	—	—	—	—	—	—	37	—	—	—	—
Mrs. Jenbagalakshmi	—	—	—	—	—	—	—	20	—	—	—	—
	—	—	—	—	2,009	2,009	—	57	—	—	—	—
Advance												
HSCBV	—	—	—	—	—	—	—	—	27	—	—	—
	—	—	—	—	—	—	—	—	27	—	—	—
Prepaid expenses												
Force India	—	—	—	—	—	—	—	—	—	2,513	2,033	—
	—	—	—	—	—	—	—	—	—	2,513	2,033	—

Fixed assets with gross block of Rs. 112 Lakhs (Previous year : Rs. 112 Lakhs) are lying with MML.

The remuneration to key managerial personnel and relatives does not include the provisions made for gratuity and compensated absences, as they are determined on an actuarial basis for the Company as a whole.

41. SEGMENT REPORTING

The Company's business activity falls within a single business segment i.e. manufacture and sale of beer including licensing of brands. Also, the Company's operations are predominantly in India. Hence, there are no material additional disclosures to be provided under Accounting Standard 17 – Segment Reporting, other than those already provided in the financial statements.

42. PREVIOUS YEAR FIGURES

The previous year's figures have been regrouped where necessary to conform to this year's classification.

As per our report of even date

For and on behalf of the Board of Directors of
United Breweries Limited

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W

Kalyan Ganguly
Managing Director

Henricus Petrus van Zon
Director, CFO

per Mahendra Jain

Partner

Membership Number: 205839

Place: Bengaluru, May 28, 2015

Govind Iyengar
Company Secretary

Place: Bengaluru, May 28, 2015



DISCLOSURE UNDER CLAUSE 32 OF THE LISTING AGREEMENT

Rupees in Lakhs			
Name of the Company	Amount outstanding as at March 31, 2015	Value of investments as at March 31, 2015	Terms
Subsidiaries: Maltex Malsters Limited	(45)	2,541	—
Associates: Kingfisher East Bengal Football Team Private Limited (Formally known as United East Bengal Football Team Private Limited	(116)	1	—



UNITED BREWERIES LIMITED

Independent Auditor's Report on the Consolidated Financial Statements

To the Members of United Breweries Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of United Breweries Limited (hereinafter referred to as "the Holding Company"), its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") and its associate, comprising of the consolidated Balance Sheet as at March 31, 2015, the consolidated Statement of Profit and Loss, the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms with the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group and its associate in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and associate and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph (a) of the Other Matters below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group and its associate as at March 31, 2015, their consolidated profit, and their consolidated cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. Except for the non-availability of audited financial statements of an associate, as required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditor's report of the Holding company and its subsidiary

Independent Auditor's Report on the Consolidated Financial Statements contd.

incorporated in India, to whom the Order applies, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. Except for the non-availability of audited financial statements of an associate, as required by section 143 (3) of the Act, we report, to the extent applicable, that:
 - (a) We / the other auditors whose reports we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
 - (c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss, and consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the auditors who are appointed under Section 139 of the Act, of its subsidiary company incorporated in India, none of the directors of the Group's companies incorporated in India is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 7 and 19 to the consolidated financial statements;
 - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts in respect of such items as it relates to the Group – Refer Note 7 to the consolidated financial statements;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary incorporated in India.

Other Matters

- (a) The accompanying consolidated financial statements include total assets of Rs. 514 Lakhs as at March 31, 2015, total revenues of Rs. 133 Lakhs and net cash flows of Rs. Nil, for the year ended on that date, in respect of subsidiary, which have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the report of such other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements above, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

- (b) The accompanying consolidated financial statements does not include the Company's share of net profit for the year ended March 31, 2015 in respect of an associate, which is considered as not material to the Group.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W
per Mahendra Jain
Partner
Membership Number: 205839
Place of signature: Bengaluru
Date: May 28, 2015

Independent Auditor's Report on the Consolidated Financial Statements contd.

Annexure 1 referred to in paragraph 1 under "Report on Other Legal and Regulatory Requirements" of our report of even date

Re: The Group comprising United Breweries Limited ('the Holding Company') and its subsidiary incorporated in India and to whom the provisions of the Order apply.

- (i) (a) The Holding Company and its subsidiary has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management of the Holding Company and its subsidiary during the year but there is a regular programme of verification which, in our opinion and as reported by the other auditors who audited the financial statements of the subsidiary, is reasonable having regard to the size of the Holding Company and subsidiary and the nature of their assets. No material discrepancies were noticed on such verification.
- (ii) (a) The inventory (excluding inventories with outside parties) has been physically verified by the management of the Holding Company and its subsidiary during the year. In our opinion and as reported by the other auditors who audited the financial statements of the subsidiary, the frequency of verification is reasonable. Inventories lying with outside parties have been confirmed by them as at year end.
- (b) The procedures of physical verification of inventory followed by the management of the Holding Company and its subsidiary are reasonable and adequate in relation to the size of the Holding Company and its subsidiary and the nature of their business.
- (c) The Holding Company and its subsidiary is maintaining proper records of inventory. Discrepancies noted on physical verification of inventories were not material, and have been properly dealt with in the books of account.
- (iii) According to the information and explanations given to us and as reported by the other auditors who audited the financial statements of the subsidiary, the Holding Company and its subsidiary have not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of clause 3(iii)(a) and (b) of the Order are not applicable to the Holding Company and its subsidiary and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us and as reported by the other auditors who audited the financial statements of the subsidiary and having regard to the explanation that purchases of certain items of inventories and fixed assets are of proprietary nature for which alternative sources are not available to obtain comparable quotations, there is an adequate internal control system commensurate with the size of the Holding Company and its subsidiary and the nature of their business, for the purchase of inventory and fixed assets and for the sale of goods and services. However, the management of the Holding Company is in the process of further strengthening documentation in respect of execution of contracts and sales promotion expenses. During the course of our audit and as reported by the other auditors who audited the financial statements of the subsidiary, no major weakness or continuing failure to correct any major weakness in the internal control system of the Holding Company and its subsidiary was observed in respect of these areas.
- (v) The Holding Company and its subsidiary have not accepted any deposits from the public.
- (vi) To the best of our knowledge and as explained and as reported by the other auditors who audited the financial statements of the subsidiary, the Central Government has not specified the maintenance of cost records under clause 148(1) of the Act, for the products/services of the Holding Company and its subsidiary.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, wealth-tax, sales-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities.
- (b) According to the information and explanations given to us and as reported by the other auditors who audited the financial statements of the subsidiary, no undisputed dues in respect of provident fund, employees' state insurance, income-tax, wealth-tax, sales-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

Independent Auditor's Report on the Consolidated Financial Statements contd.

- (c) According to the records of the Holding Company and as reported by the other auditors who audited the financial statements of the subsidiary, the dues outstanding of income tax, sales-tax, wealth tax, service tax, customs duty, excise duty, value added tax and cess on account of any dispute, are as follows:

Holding Company:

Name of the statute	Nature of the dues	Amount (Rs. in Lakhs)	Payment under protest (Rs. in Lakhs)	Period to which the amount relates	Forum where dispute is pending
The Income Tax Act, 1961	Disallowance of expenses	515	—	FY 2006-07 and 2008-09	Commissioner of Income Tax
		5,162	1,333	FY 2002-03 to 2010-11	Commissioner of Income Tax (Appeals)
		5,136	1,240	FY 2002-03 and 2009-10	Income Tax Appellate Tribunal
		19	19	FY 2003-04	High Court of Karnataka
		20	—	FY 2001-02	High Court of Madras
The Finance Act, 1994	Service tax	2,192	96	2009-10 to 2011-12	Commissioner of Customs and Central Excise, Aurangabad
		2,273	—	2010-11	Commissioner of Service Tax, Bangalore
		7,220	—	2004-05 to 2010-11	Customs, Excise and Service Tax Appellate Tribunal
The Central Excise Act, 1944	Disallowance of cenvat credit	1	—	2007-08	Commissioner (Appeals) Central Excise, Chandigarh
		9	9	2005-06 to 2007-08	Customs, Excise and Service Tax Appellate Tribunal
State Excise (various statutes)	Storage and privilege fees, excise duty, etc.	43	13	1988-89	High Court of Calcutta
		218	150	1999-00 to 2005-06	High Court of Karnataka
		3	—	2000-01 to 2003-04	Excise Commissioner, Karnataka
Sales Tax (various statutes)	Sales tax/value added tax	84	—	2007-08 to 2008-09	High Court of Karnataka
		51	—	2008-09 to 2011-12	Joint Commissioner of Commercial Taxes (Appeal), Patna
		63	—	2002-03	Jt. Excise and Taxation Commissioner (Appeals), Faridabad
		83	—	2006-07 and 2009-10	Sales Tax Appellate Tribunal, Karnataka
		10	4	2005-06 to 2007-08	Sales Tax Appellate Tribunal, Andhra Pradesh
		3	—	2008-09	The Commercial Taxes Tribunal, Bihar
		19	8	2003-04	Maharashtra Sales Tax Tribunal
		3,000	1,245	2001-02 to 2013-14	Rajasthan Tax Board, Ajmer

Independent Auditor's Report on the Consolidated Financial Statements contd.

Subsidiary:

Name of the statute	Nature of the dues	Amount (Rs. in Lakhs)	Payment under protest (Rs. in Lakhs)	Period to which the amount relates	Forum where dispute is pending
The Income Tax Act, 1961	Income tax	11	5	AY 2007-08	High Court of Punjab and Haryana
		9	—	AY 2007-08	Commissioner of Income Tax (Appeals)
		11	—	AY 2008-09	
		6	—	AY 2010-11	
		6	6	AY 2011-12	
The Finance Act, 1994	Service tax	162	—	October 2003 to June 2009	Commissioner of Central Excise
		7	—	July 2009 to March 2010	
		10	—	April 2010 to March 2011	

- (d) According to the information and explanations given to us and as reported by the other auditors who audited the financial statements of the subsidiary, the amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder, as applicable, has been transferred to such fund within time.
- (viii) The Holding Company and its subsidiary have no accumulated losses at the end of the financial year and have not incurred cash losses in the current and immediately preceding financial year.
- (ix) Based on our audit procedures and as per the information and explanations given by the management of the Holding Company and as reported by the other auditors who audited the financial statements of the subsidiary, we are of the opinion that the Holding Company and its subsidiary have not defaulted in repayment of dues to a financial institution or bank. The Holding Company and subsidiary did not have any outstanding dues in respect of debenture holders during the year.
- (x) According to the information and explanations given to us and as reported by the other auditors who audited the financial statements of the subsidiary, the Holding Company and its subsidiary have not given any guarantee for loans taken by others from bank or financial institutions.
- (xi) Based on information and explanations given to us by the management of the Holding Company and as reported by the other auditors who audited the financial statements of the subsidiary, term loans were applied, on an overall basis, for the purpose for which the loans were obtained, though idle/surplus funds in respect of Holding Company which were not required for immediate utilization have been gainfully invested in liquid investments payable on demand. The maximum amount of idle/surplus funds invested during the year was Rs. 10,000 Lakhs, of which Rs. Nil was outstanding at the end of the year.
- (xii) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the consolidated financial statements and as per the information and explanations given by the management and as reported by the other auditors who audited the financial statements of the subsidiary, which we have relied upon, we report that no fraud on or by the Holding Company and its subsidiary have been noticed or reported during the year.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W
per Mahendra Jain
Partner
Membership Number: 205839
Place of signature: Bengaluru
Date: May 28, 2015

Consolidated Balance Sheet as at March 31, 2015

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	Notes	As at March 31, 2015	As at March 31, 2014
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	2,644	10,051
Reserves and surplus	4	1,82,417	1,60,611
		1,85,061	1,70,662
Minority interest		217	188
Non-current liabilities			
Long-term borrowings	5	51,158	52,758
Deferred tax liabilities (net)	6	6,629	7,948
Long-term provisions	7	517	550
		58,304	61,256
Current liabilities			
Short-term borrowings	8	18,758	48,891
Trade payables	9	34,270	20,965
Other current liabilities	10	79,826	78,564
Short-term provisions	7	12,021	9,227
		1,44,875	1,57,647
Total		3,88,457	3,89,753
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	11	1,77,099	1,58,606
Intangible assets	11	4,062	2,183
Capital work-in-progress		9,016	8,227
Goodwill on consolidation	37	2,421	2,421
Non-current investments	12	6	6
Long-term loans and advances	13	19,334	17,463
Other non-current assets	14	443	564
		2,12,381	1,89,470
Current assets			
Inventories	15	55,910	54,414
Trade receivables	16	96,434	95,861
Cash and bank balances	17	1,312	14,254
Short-term loans and advances	13	22,372	35,634
Other current assets	14	48	120
		1,76,076	2,00,283
Total		3,88,457	3,89,753
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date

For and on behalf of the Board of Directors of
United Breweries Limited

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W

Kalyan Ganguly
Managing Director

Henricus Petrus van Zon
Director, CFO

per Mahendra Jain
Partner
Membership Number: 205839
Place: Bengaluru, May 28, 2015

Govind Iyengar
Company Secretary

Place: Bengaluru, May 28, 2015

Consolidated Statement of Profit and Loss for the year ended March 31, 2015

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	Notes	March 31, 2015	March 31, 2014
INCOME			
Revenue from operations (gross)	21	8,24,001	7,26,312
Less: Excise duty		3,55,190	3,03,346
Revenue from operations (net)		4,68,811	4,22,966
Other income	22	3,765	1,518
Total		4,72,576	4,24,484
EXPENSES			
Cost of materials consumed	23	1,85,346	1,70,868
Purchases of traded goods	24	5,593	3,360
Increase in inventories of finished goods, work-in-progress and traded goods	25	(1,567)	(1,023)
Employee benefits expense	26	30,097	26,282
Depreciation and amortisation expense	11	20,754	19,782
Finance costs	27	7,283	7,953
Other expenses	28	1,87,170	1,63,748
Total		4,34,676	3,90,970
Profit before tax		37,900	33,514
Tax expenses			
Current tax		12,826	10,376
Deferred tax charge [refer note 2.1 (a)]		(948)	497
Total tax expenses		11,878	10,873
Profit after tax but before minority interest		26,022	22,641
Minority interest		38	39
Profit for the year		25,984	22,602
Earnings per equity share in Rs.	29		
[nominal value per share Re.1 (Previous year: Re.1)]			
Basic		9.73	8.45
Diluted		9.73	8.45
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date

For and on behalf of the Board of Directors of
United Breweries Limited

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W

Kalyan Ganguly
Managing Director

Henricus Petrus van Zon
Director, CFO

per Mahendra Jain
Partner
Membership Number: 205839
Place: Bengaluru, May 28, 2015

Govind Iyengar
Company Secretary
Place: Bengaluru, May 28, 2015

Consolidated Cash Flow Statement for the year ended March 31, 2015

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	Notes	March 31, 2015	March 31, 2014
A Cash flow from operating activities			
Profit before tax		37,900	33,514
Adjustments for:			
Depreciation and amortisation expense	20,754		19,782
Bad debts/advances written off	83		32
Provision for doubtful debts	616		376
Provision for doubtful advances	3		52
Net loss/(gain) on sale of fixed assets	41		(11)
Liabilities no longer required written back	(518)		(742)
Provision for doubtful debts, no longer required written back	(773)		(14)
Provision for doubtful advances, no longer required written back	—		(6)
Interest expenses	7,180		7,789
Interest income	(776)	26,610	(169)
Operating profits before working capital changes		64,510	60,603
Movement in working capital:			
Increase/(decrease) in trade payables	13,813		(3,311)
Increase/(decrease) in other current liabilities and provisions	10,016		8,071
(Increase)/decrease in inventories	(1,496)		(3,056)
(Increase)/decrease in trade receivables	(474)		(14,884)
(Increase)/decrease in loans and advances	11,817		(8,699)
(Increase)/decrease in other assets	129	33,805	293
Cash generated from operations		98,315	39,017
Direct taxes paid (net of refund)		(14,234)	(10,063)
Net cash flow from operating activities (A)		84,081	28,954
B Cash flow from investing activities			
Purchase of fixed assets including capital work-in-progress and capital advances		(40,747)	(21,214)
Proceeds from sale of fixed assets		55	18
Investments in bank deposits (having original maturity of more than three months)		(797)	(247)
Redemption/maturity of bank deposits (having original maturity of more than three months)		7,693	5,345
Interest received		848	340
Net cash used in investing activities (B)		(32,948)	(15,758)

Consolidated Cash Flow Statement contd.

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	Notes	March 31, 2015	March 31, 2014
C Cash flow from financing activities			
Proceeds from long term borrowings		12,120	6
Repayment of long term borrowings		(21,567)	(84)
Repayment of preference share capital		(7,407)	—
Proceeds from/(repayment of) short term borrowings (net)		(30,133)	(6,802)
Interest paid		(7,153)	(7,950)
Dividend paid (including dividend distribution tax)		(3,031)	(2,388)
Net cash flow used in financing activities (C)		(57,171)	(17,218)
Net increase/(decrease) in cash and cash equivalents (A+B+C)		(6,038)	(4,022)
Cash and cash equivalents at the beginning of the year		6,653	10,675
Cash and cash equivalents at the end of the year		615	6,653
Components of cash and cash equivalents			
Cash on hand		31	25
Bank balances on current accounts*		581	4,103
Bank balances on deposit accounts		3	2,525
Total cash and cash equivalents		615	6,653
Summary of significant accounting policies	2.1		

*Includes Rs. 94 Lakhs (Previous Year: Rs. 73 Lakhs) towards unpaid dividend accounts which can be utilised only towards settlement of unpaid dividends.

As per our report of even date

For S.R. Batliboi & Associates LLP
 Chartered Accountants
 ICAI Firm Registration Number: 101049W

per Mahendra Jain

Partner

Membership Number: 205839

Place: Bengaluru, May 28, 2015

For and on behalf of the Board of Directors of
 United Breweries Limited

Kalyan Ganguly
 Managing Director

Govind Iyengar
 Company Secretary

Place: Bengaluru, May 28, 2015

Henricus Petrus van Zon
 Director, CFO

Notes to Consolidated Financial Statements for the year ended March 31, 2015

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

1. Corporate information

United Breweries Limited ('UBL' or 'the Company') is a public limited company domiciled in India and incorporated under the provisions of the Indian Companies Act. Its shares are listed on Bombay Stock Exchange (BSE), Bangalore Stock Exchange (BgSE) and National Stock Exchange (NSE). The Company is engaged primarily in the manufacture and sale of beer. The Company has manufacturing facilities in India.

2. Basis of preparation of consolidated financial statements

The consolidated financial statements of the Company, its subsidiary ('the Group') and associate have been prepared in accordance with generally accepted accounting principles in India ('Indian GAAP'). The Company has prepared these consolidated financial statements to comply in all material respects with the accounting standards specified under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. The consolidated financial statements have been prepared on an accrual basis and under the historical cost convention.

In the preparation of the consolidated financial statements, subsidiary have been consolidated in accordance with the Accounting Standard 21, 'Consolidated Financial Statements', ('AS 21'), as notified under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. The consolidated financial statements have been prepared on the following basis:

- (i) Subsidiary company is consolidated on a line-by-line basis by adding together the book values of the like items of assets, liabilities, income and expenses after eliminating all significant intra-group balances and intra-group transactions and also unrealized profits or losses, except where cost cannot be recovered. The results of operations of a subsidiary are included in the consolidated financial statements from the date on which the parent subsidiary relationship comes into existence. A subsidiary is fully consolidated from the date of acquisition, being the date on which the Group obtains controls and continue to consolidate until the date that such control ceases.
- (ii) The difference between the cost to the Group of investment in subsidiary and the proportionate share in the equity of the investee company at the date of investment is recognized in the consolidated financial statements as Goodwill or Capital Reserve, as the case may be. Goodwill arising on consolidation is tested for impairment at the balance sheet date.
- (iii) Minorities' interest in net profits of consolidated subsidiary for the period is identified and adjusted against the income in order to arrive at the net income attributable to the shareholders of the Group. Their share of net assets is identified and presented in the consolidated balance sheet separately. Where accumulated losses attributable to the minorities are in excess of their equity, in the absence of the contractual obligation on the minorities, the same is accounted for by the parent company.
- (iv) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances are presented, to the extent possible, in the same manner as the Company's unconsolidated financial statements.
- (v) The financial statements of the subsidiary used for the purpose of consolidation are drawn up to same reporting date as that of the Company, i.e. year ended March 31, 2015.

The consolidated financial statements relate to the Group and associate, which in addition to the Company comprises of the following entities:

Name of the company	Relationship	Country of incorporation	% of Ownership Interest as at March 31, 2015	% of Ownership Interest as at March 31, 2014
Maltex Malsters Limited ('MML')	Subsidiary	India	51%	51%
Kingfisher East Bengal Football Team Private Limited (Formerly United East Bengal Football Team Private Limited) ('KEBFTPL')*	Associate	India	49.99%	49.99%

*The Company's interest in KEBFTPL has not been included in the consolidated financial statements as the same has not been considered as material by the management of the Company.

The accounting policies adopted in the preparation of consolidated financial statements are consistent with those of previous year, except for the change in accounting policy as explained below.

2.1 Summary of significant accounting policies

(a) Change in accounting policy

Pursuant to the notification of Schedule II of the Companies Act, 2013 ("the Act"), by the Ministry of Corporate Affairs effective April 1, 2014, the management has internally reassessed and changed, wherever considered necessary the useful lives of fixed assets for the purpose of computing depreciation, so as to conform to the requirements of the Act. Accordingly, the carrying amount of fixed assets as at April 1, 2014 is being depreciated over the revised remaining useful life of the asset and where the remaining useful life of an asset is nil as on April 1, 2014, the carrying amount of such asset has been recognized as adjustment to the retained earnings as on that date.

Had the Group continued with the previously assessed useful lives, charge for depreciation and amortization expense for the year ended March 31, 2015 would have been lower by Rs. 751 Lakhs and the profit before tax would have been higher by such amount. Further, the carrying value of Rs. 725 Lakhs (net of tax adjustment of Rs. 371 Lakhs), in case of assets with nil revised remaining useful life as at April 1, 2014 has been reduced from the retained earnings as on such date.

(b) Use of estimates

The preparation of the consolidated financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, as at end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

(c) Tangible fixed assets

Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

The Group adjusts exchange differences arising on translation/settlement of long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset to the cost of the asset and depreciates the same over the remaining life of the asset.

In accordance with MCA circular dated August 9, 2012, exchange differences adjusted to the cost of fixed assets are total differences, arising on long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset, for the period. In other words, the Group does not differentiate between exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other exchange difference.

Gains or losses arising from de-recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

(d) Depreciation on tangible fixed assets

Depreciation on fixed assets is calculated on a straight-line method ("SLM") basis using the useful lives estimated by the management of the Holding Company. For the purpose of depreciation calculation, residual value is

Notes to Consolidated Financial Statements contd.

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

determined as 5% of the original cost for all the assets, as estimated by the management basis independent assessment by an expert. The Group has used the following useful lives to provide depreciation on its fixed assets:

	Useful life (years)
Factory buildings	30
Other buildings (RCC)	60
Other buildings (Non-RCC)	30
Roads (RCC)	10
Roads (Non-RCC), Fences, etc	5
Plant and machinery	15*
Electrical installations	10
Office equipments	5
Computers	3
Servers and networks	6
Furniture and fixtures	10
Laboratory equipments	10
Vehicles	8 and 10

*In respect of assets used at any time during the year on double shift or triple shift basis, the depreciation for that period is increased by 50% or 100%, respectively.

In respect of following assets, not included above, the useful lives estimated by the management, basis technical assessment, are different from those indicated in Schedule II to the Companies Act, 2013:

- Assets acquired on amalgamation, etc (where original dates of acquisition are not readily available), are depreciated over the remaining useful life of the assets, as certified by an expert.
- Assets individually costing Rs. 5,000 or less and coolers (included under furniture and fixtures) are depreciated on a straight-line basis over a period of 1 year being useful life, as estimated by the management considering such assets do not have enduring benefits.

Leasehold land is amortized on a straight line basis over the period of lease i.e. 90-99 years. Leasehold improvements are amortized over the lower of useful life of the asset and the remaining period of the lease.

(e) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

Intangible assets are amortized on a straight line basis over the estimated useful economic life. The Group uses a rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use.

A summary of amortization policies applied to the Group's intangible assets is as below:

	Useful life (years)
Goodwill	5
Licenses and rights	10
Brands	10

(f) Leases

Where the Company is lessee

Leases where the lessor effectively retains, substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as expense in the statement of profit and loss on a straight-line basis over the lease term.

(g) Borrowing costs

Borrowing cost includes interest, exchange differences arising from short-term foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and amortization of ancillary costs incurred in connection with the arrangement of borrowings. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as a part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

(h) Impairment of tangible and intangible assets

The Group assesses at each reporting date whether there is an indication that an asset or group of assets may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of profit and loss, except for previously revalued tangible fixed assets, where the revaluation was taken to revaluation reserve. In this case, the impairment is also recognized in the revaluation reserve up to the amount of any previous revaluation.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

(i) Government grant and subsidies

Grants and subsidies from the government are recognized when there is reasonable assurance that (i) the Group will comply with the conditions attached to them and (ii) the grant/subsidy will be received.

When the grant or subsidy relates to revenue, it is recognized as income on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to an asset, it is recognized as deferred income and released to income in equal amounts over the expected useful life of the related asset.

(j) Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

(k) Inventories

Raw materials, packing materials and bottles, stores and spares are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Work-in-progress and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty.

Traded goods are valued at lower of cost and net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

Cost is determined on a weighted average basis. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

(l) Revenue recognition

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized.

Sale of products

Revenue from sale of products is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on dispatch of the goods from breweries/warehouses and is net of trade discounts. The Group collects sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the Group. Hence, they are excluded from revenue.

Excise duty deducted from revenue (gross) is the amount that is included in the revenue (gross) and not the entire amount of liability arising during the year.

Sale of services

Royalty income is recognized at agreed rate on sale of branded products by the licensee, as per the terms of the agreement.

Income from contract manufacturing units

Income from contract manufacturing units is recognized, as per terms of the agreement, when the right to receive the payment is established, usually on sale of goods by the contract manufacturing units to their customers.

Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

Dividends

Dividend Income is recognized when the company's right to receive the payment is established on or before the balance sheet date.

(m) Foreign currency transactions

Foreign currency transactions and balances

(i) Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

(iii) Exchange differences

The Group accounts for exchange differences arising on translation/ settlement of foreign currency monetary items as below:

1. Exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset are capitalized and depreciated over the remaining useful life of the asset.
2. Exchange differences arising on other long-term foreign currency monetary items are accumulated in the "Foreign Currency Monetary Item Translation Difference Account (FCMITDA)" and amortized over the remaining life of the concerned monetary item.
3. All other exchange differences are recognized as income or as expenses in the period in which they arise.

For the purpose of 1 and 2 above, the Group treats a foreign monetary item as "long-term foreign currency monetary item", if it has a term of 12 months or more at the date of its origination. The Group has adopted economic hedge accounting whereby only net exchange loss (if any) on the underlying item, after considering exchange gain on hedge is capitalized or accumulated in FCMITDA, as applicable.

In accordance with MCA circular dated August 9, 2012, exchange differences for this purpose, are total differences arising on long-term foreign currency monetary items for the period. In other words, the Group does not differentiate between exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other exchange difference.

(iv) Forward exchange contracts are entered into, to hedge foreign currency risk of an existing asset/ liability

The premium or discount arising at the inception of forward exchange contract is amortized and recognized as an expense/income over the life of the contract.

Exchange differences on such contracts, except the contracts which are long-term foreign currency monetary items, are recognized in the statement of profit and loss in the period in which the exchange rates change.

Any profit or loss arising on cancellation or renewal of such a forward exchange contract is also recognized as income or as expense for the period. Any gain/ loss arising on forward contracts which are long-term foreign currency monetary items is recognized in accordance with paragraph (iii)(1) and (iii)(2).

(n) Retirement and other employee benefits

(i) Retirement benefit in the form of provident fund is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund.

In respect of certain employees, the Company has established a Provident Fund Trust, which is a defined benefit plan, to which contributions towards provident fund are made each month. The Provident Fund Trust guarantees a specified rate of return on such contributions on a periodical basis. The Company will meet the shortfall in the return, if any, which is determined based on an actuarial valuation carried out, as per projected unit credit method, as at the date of balance sheet. Contributions to provident fund are charged to the statement of profit and loss on an accrual basis.

The Group recognizes contribution payable to the provident fund scheme as expenditure, when an employee renders the related service. If the contribution payable to the scheme for the service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution paid exceeds the contribution due for services received before the balance sheet date, the excess is recognized as an asset.

(ii) Retirement benefit in the form of superannuation fund is a defined contribution scheme. The Company has established a Superannuation Fund Trust to which contributions are made each month. Such contributions are charged to the statement of profit and loss on an accrual basis. The Company has no other obligations beyond its monthly contributions.

Notes to Consolidated Financial Statements contd.

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

- (iii) The Company operates defined benefit plan for its employees, viz., gratuity. The cost of providing benefits under this plan is determined on the basis of actuarial valuation at each year-end. Actuarial valuation is carried out using the projected unit credit method.
- (iv) Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end.

The Group presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where the Group has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

- (v) Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

(o) Income taxes

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Group operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Group has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each reporting date, the Group re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized. The carrying amount of deferred tax assets are reviewed at each reporting date. The Group writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Group recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Group recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT credit entitlement". The Group reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Group does not have convincing evidence that it will pay normal tax during the specified period.

(p) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(q) Provisions

A provision is recognized when the Group has a present obligation as a result of past events, for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. When the Group expects a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when such reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

(r) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the financial statements.

(s) Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

(t) Derivative instruments

In accordance with the ICAI announcement, derivative contracts, other than foreign currency forward contracts covered under AS 11, is marked to market on a portfolio basis, and the net loss, if any is charged to the statement of profit and loss. Net gain, if any is ignored.

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Notes to Consolidated Financial Statements contd.

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

3. SHARE CAPITAL

Authorised shares

	As at March 31, 2015	As at March 31, 2014
4,12,98,00,000 (Previous year: 4,12,98,00,000) equity shares of Re. 1 each	41,298	41,298
5,86,00,00,000 (Previous year: 5,86,00,00,000) preference shares of Rs. 100 each	58,600	58,600
	99,898	99,898

Issued, subscribed and fully paid-up shares

26,44,05,149 (Previous year: 26,44,05,149) equity shares of Re. 1 each	2,644	2,644
Nil (Previous year: 74,07,000) 3% cumulative redeemable preference shares of Rs. 100 each - Series B	—	7,407
	2,644	10,051

a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

	As at March 31, 2015		As at March 31, 2014	
	Nos.	Rs. in Lakhs	Nos.	Rs. in Lakhs
Equity shares				
At the beginning of the year	26,44,05,149	2,644	26,44,05,149	2,644
Issued during the year	—	—	—	—
Outstanding at the end of the year	26,44,05,149	2,644	26,44,05,149	2,644
Preference shares - Series B				
At the beginning of the year	74,07,000	7,407	74,07,000	7,407
Redeemed during the year	(74,07,000)	(7,407)	—	—
Outstanding at the end of the year	—	—	74,07,000	7,407

b) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Re. 1 per share. Each holder of equity share is eligible for one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. During the year ended March 31, 2015, the amount of dividend recognised as distributions to equity shareholders is Rs. 2,644 Lakhs (Previous year: Rs. 2,388 Lakhs). In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Terms of redemption of preference shares

74,07,000, 3% cumulative redeemable preference shares-Series B of Rs. 100 each were issued in April 2005 to Scottish & Newcastle India Limited. The preference shares carried dividend @3% per annum. Each holder of preference share were entitled to one vote per share only on resolutions placed before the Company which directly affects the rights attached to these shares.

In the event of liquidation of the Company before redemption of preference shares, the holders of preference shares had priority over equity shares in the payment of dividend and repayment of capital. These shares have been fully redeemed at par on March 31, 2015.

d) Details of shareholders holding more than 5% of the shares in the Company

Name of the shareholder	As at March 31, 2015		As at March 31, 2014	
	Nos.	% holding in the class	Nos.	% holding in the class
Equity shares of Re.1 each fully paid				
Scottish & Newcastle India Limited	8,99,94,960	34.04%	8,99,94,960	34.04%
United Breweries (Holdings) Limited	3,02,95,911	11.46%	3,02,95,911	11.46%
Dr. Vijay Mallya (including joint holdings)	2,13,53,620	8.08%	2,13,53,620	8.08%
Preference shares of Rs.100 each fully paid-Series B				
Scottish & Newcastle India Limited	—	—	74,07,000	100.00%

As per records of the Company, the above shareholding represents legal ownership of shares.

e) Aggregate number of shares issued for consideration other than cash during period of 5 years immediately preceding the reporting date:

- 2012-13: 84,89,270 equity shares issued on amalgamation of Scottish and Newcastle India Private Limited.
- 2011-12: 98,60,211 equity shares issued on amalgamation of Chennai Breweries Private Limited, UB Nizam Breweries Private Limited, Millennium Beer Industries Limited and UB Ajanta Breweries Private Limited.
- 2010-11: 1,44,96,683 equity shares issued on amalgamation of Millennium Alcobev Private Limited and Empee Breweries Limited.

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Notes to Consolidated Financial Statements contd.

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

4. RESERVES AND SURPLUS

Capital redemption reserve

	As at March 31, 2015	As at March 31, 2014
Balance as per last financial statements	17,283	17,283
Add: Transfer from surplus in statement of profit and loss on redemption of preference shares*	7,407	—
Closing balance	24,690	17,283

*Capital redemption reserve had been created in respect of 3% cumulative redeemable preference shares-Series B, redeemed during the year ended March 31, 2015.

Securities premium account

Balance as per last financial statements	62,938	62,938
General reserve		
Balance as per last financial statements	19,577	17,293
Add: Transfer from statement of profit and loss	2,672	2,284
Closing balance	22,249	19,577

Surplus in the statement of profit and loss

Balance as per last financial statements	60,813	43,550
Add: Profit for the year	25,984	22,602
Less: Appropriations		
Proposed final equity dividend [amount per share Re.1 (Previous year: Re. 0.90)]	(2,644)	(2,388)
Tax on proposed equity dividend	(542)	(407)
Dividend on preference shares [amount per share Rs. 3 (Previous Year: Rs. 3)]	(222)	(222)
Tax on preference dividend	(45)	(38)
Transfer to general reserve	(2,672)	(2,284)
Transfer to capital redemption reserve	(7,407)	—
Depreciation adjustment [net of deferred tax of Rs. 371 Lakhs (Previous Year: Rs. Nil)] [Refer Note 2.1 (a)]	(725)	—
Closing balance	72,540	60,813
Total reserves and surplus	1,82,417	1,60,611

5. LONG-TERM BORROWINGS**Secured borrowings**

Foreign currency term loans

External commercial borrowing
from banks

35,211 48,594 13,383 10,540

Term loan from bank

12,120 — — 10,800

Indian currency term loan

2 4 2 2

47,333 48,598 13,385 21,342

Unsecured borrowings

Deferred payment liabilities

3,825 4,160 335 225

3,825 4,160 335 225

Amount disclosed under the head

"Other current liabilities" (refer note 10)

— — (13,720) (21,567)

Total

51,158 52,758 — —

Secured borrowings**Nature of security****Repayment and other terms**Foreign currency term loans

DBS Bank Ltd: Rs. 24,643 Lakhs (Previous year: Rs. 24,643 Lakhs) secured by pari-passu charge on all present and future assets of the Company, other than assets of Taloja and Aranvoyal units and current assets of the Company.

Repayable in 9 equal quarterly installments starting from February 27, 2016. The loan carries interest of 9.58% per annum.

Rabobank International: Rs. Nil (Previous year: Rs. 10,540 Lakhs) secured by pari-passu charge on all present and future assets of the Company other than assets of Taloja and Aranvoyal units and current assets of the Company.

Repayable after 3 years from the date of loan i.e., on January 10, 2015. The loan carried interest of 7.15% per annum payable on quarterly basis and has been fully repaid during the year.

Rabobank International: Rs. 13,306 Lakhs (Previous year: Rs. 13,306 Lakhs) secured by pari-passu charge on all movable and immovable assets of the Company located at Goa, Rajasthan, Ludhiana, Dharuhera, Nelamangala, Mangalore, Mysore, Kerala, Andhra Pradesh and Tamilnadu.

Repayable in 3 equal annual installments commencing on February 8, 2017 till February 8, 2019. The loan carries interest of 9.78% per annum payable on quarterly basis.

Rabobank International: Rs. 10,645 Lakhs (Previous year: Rs. 10,645 Lakhs) secured by pari-passu charge on all movable and immovable assets of the Company located at Goa, Rajasthan, Ludhiana, Dharuhera, Nelamangala, Mangalore, Mysore, Kerala, Andhra Pradesh and Tamilnadu.

Repayable after 3 years on February 6, 2016. The loan carries interest of 8.75% per annum payable on quarterly basis.

Citibank: Rs. Nil (Previous year: Rs. 10,800 Lakhs) secured by pari-passu charge on all movable and immovable fixed assets of the Company other than assets of Taloja unit.

Repayable after 24 months from the date of drawal i.e., on February 25, 2015. The loan carried interest of 9.5% per annum payable on monthly basis and has been fully repaid during the year.

Citibank: Rs. 12,120 Lakhs (Previous year: Rs. Nil) secured by pari-passu charge on all movable and immovable fixed assets of the Company other than assets of Taloja unit.

Repayable after 24 months from the date of drawal i.e., on April 28, 2016. The loan carries interest of 9.75% per annum payable on monthly basis.

Indian currency term loan

NBFC: Rs. 4 Lakhs (Previous year: Rs. 6 Lakhs) secured by hypothecation of vehicle.

Repayable in 36 equated monthly instalments from the date of availment of loan i.e. December 11, 2013.

Notes to Consolidated Financial Statements contd.

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

Unsecured borrowings

Deferred payment liability of Rs. 4,160 Lakhs (Previous year: Rs. 4,385 Lakhs) pertains to sales tax payable to the Government of Maharashtra by virtue of being eligible for deferred payment after having established a manufacturing unit in a notified backward area. This amount is repayable in five equal annual installments on completion of 10 years from the end of respective year to which sales tax liability relates.

6. DEFERRED TAX LIABILITIES (NET)

Deferred tax liability

Fixed assets: Impact of difference between tax depreciation and depreciation/
amortisation charged for the financial reporting

Gross deferred tax liability

Deferred tax asset

Provision for doubtful debts and advances

Provision for gratuity and compensated absences

Other provisions

Gross deferred tax asset

Net deferred tax liability

As at March 31, 2015	As at March 31, 2014
-------------------------	-------------------------

9,870	10,089
-------	--------

9,870	10,089
--------------	---------------

748	787
-----	-----

1,728	759
-------	-----

765	595
-----	-----

3,241	2,141
--------------	--------------

6,629	7,948
--------------	--------------

Long-term		Short-term	
As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014

7. PROVISIONS

Provision for employee benefits

Gratuity

Compensated absences

517	550	2,000	296
-----	-----	-------	-----

—	—	2,479	1,388
---	---	-------	-------

517	550	4,479	1,684
------------	------------	--------------	--------------

Other provisions

Provision for proposed dividend and tax thereon

Provision for litigations

Provision for claims

—	—	3,472	3,065
---	---	-------	-------

—	—	2,041	1,771
---	---	-------	-------

—	—	2,029	2,707
---	---	-------	-------

—	—	7,542	7,543
---	---	--------------	--------------

Total	517	550	12,021	9,227
--------------	------------	------------	---------------	--------------

	At the beginning of the year	Additions during the year	Utilised during the year	Unused amounts reversed	At the end of the year
Provision for litigations	1,771	270	—	—	2,041
	(1,451)	(320)	(—)	(—)	(1,771)
Provision for claims	2,707	—	119	559	2,029
	(2,707)	—	—	—	(2,707)

Figures in brackets are of previous year.

Provision for litigations relates to matters which are sub-judice. Although the Group continues to contest these cases, the management believes that outflow of resources embodying economic benefits is probable and hence created provision towards these obligations.

Provision for claims relates to amount expected to be paid as reimbursements. The management believes that outflow of resources embodying economic benefits is probable and hence created provision towards these obligations.

8. SHORT-TERM BORROWINGS**Secured borrowings**

	As at March 31, 2015	As at March 31, 2014
Indian currency cash credit from banks	3,758	10,389
Indian currency working capital demand loans from banks	—	17,500
	3,758	27,889

Unsecured borrowings

3,000 (Previous year: Nil) Indian currency commercial papers of Rs. 5,00,000 each	15,000	—
Indian currency short-term loans from banks	—	21,000
Indian currency bank overdraft	—	2
	15,000	21,002
Total	18,758	48,891

Secured borrowings

Cash credit facilities/working capital demand loans from banks are secured by first pari-passu charge on all current assets of the Company namely stock of raw materials, semi-finished and finished goods, stores and spares not relating to plant and machinery (consumable stores and spares), bills receivable and book debts both present and future. These are repayable on demand and carries interest in the range of 10.75% to 13.00% p.a.

Unsecured borrowings

- Commercial papers are repayable after a term of 60 days from issue and carry interest rate of 9.20% p.a.
- Short-term loans from banks were repayable after 30-90 days from the date of respective loan and carried interest in the range of 9.50% to 11.00% p.a. These loans have been fully repaid during the year.
- Bank overdraft were repayable on demand and carried interest in the range of 9.92% to 10.05% p.a.

9. TRADE PAYABLES

Acceptances	324	199
Trade payables (refer note 20 for details of dues to micro and small enterprises)	33,946	20,766
Total	34,270	20,965

10. OTHER CURRENT LIABILITIES

Current maturities of long-term borrowings (refer note 5)	13,720	21,567
Liability for capital goods	3,524	2,119
Interest accrued but not due on borrowings	826	799
Security deposits	2,177	1,717
Unpaid dividends*	88	73
Statutory dues payable	12,924	10,720
Advances from customers	2,495	1,844
Advances from commission agents	1,359	2,140
Salaries and bonus payable	1,815	2,581
Other expenses payable	40,898	35,004
Total	79,826	78,564

*There are no amounts due for payment to the Investor Education and Protection Fund under the Companies Act, 2013 as at the year end.

Notes to Consolidated Financial Statements contd.

11. FIXED ASSETS

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	Gross Block			Depreciation / Amortisation			Net Block			
	As at April 1, 2014	Additions	Assets acquired (Refer note 32)	Deletions/ adjustments	As at March 31, 2015	As at April 1, 2014	On Deletions	For the year	Adjusted to Reserves (Refer note 2.1(a))	As at March 31, 2015
Tangible assets										
Freehold land (refer note a)	20,067	—	—	—	20,067	—	—	—	—	20,067
Leasehold land	3,981	5,826	1,590	—	11,397	496	—	54	—	10,847
Buildings (refer note b)	46,201	3,457	848	—	50,506	9,113	—	2,124	842	38,427
Leasehold improvements	64	—	—	—	64	64	—	—	—	64
Plant and machinery (refer note b)	1,83,261	19,998	6,148	1,224	2,08,183	90,129	1,142	15,645	31	1,04,663
Office equipments	1,064	61	—	4	1,121	596	4	127	140	859
Computers	1,227	154	—	28	1,353	706	27	250	37	966
Furniture and fixtures	7,494	1,314	—	28	8,780	5,611	16	1,550	29	7,174
Laboratory equipments	2,506	306	—	—	2,812	998	—	222	12	1,606
Vehicles	978	66	—	31	1,013	524	30	111	5	1,580
Total	2,66,843	31,182	8,586	1,315	3,05,296	1,08,237	1,219	20,083	1,096	1,28,197
Intangible assets										
Goodwill	6,543	—	—	—	6,543	6,543	—	—	—	6,543
Licenses and rights	7,516	6	2,544	—	10,066	5,333	—	671	—	6,004
Brands	631	—	—	—	631	631	—	—	—	631
Total	14,690	6	2,544	—	17,240	12,507	—	671	—	13,178
Grand Total	2,81,533	31,188	11,130	1,315	3,22,536	1,20,744	1,219	20,754	1,096	1,41,375
Tangible assets										
Freehold land (refer note a)	20,067	—	—	—	20,067	—	—	—	—	20,067
Leasehold land	3,981	5,826	1,590	—	11,397	496	—	54	—	10,847
Buildings (refer note b)	46,201	3,457	848	—	50,506	9,113	—	2,124	842	38,427
Leasehold improvements	64	—	—	—	64	64	—	—	—	64
Plant and machinery (refer note b)	1,83,261	19,998	6,148	1,224	2,08,183	90,129	1,142	15,645	31	1,04,663
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Laboratory equipments	2,506	306	—	—	2,812	998	—	222	12	1,606
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Total	2,66,843	31,182	8,586	1,315	3,05,296	1,08,237	1,219	20,083	1,096	1,28,197
Intangible assets										
Goodwill	6,543	—	—	—	6,543	6,543	—	—	—	6,543
Licenses and rights	7,516	6	2,544	—	10,066	5,333	—	671	—	6,004
Brands	631	—	—	—	631	631	—	—	—	631
Total	14,690	6	2,544	—	17,240	12,507	—	671	—	13,178
Grand Total	2,81,533	31,188	11,130	1,315	3,22,536	1,20,744	1,219	20,754	1,096	1,41,375
Tangible assets										
Freehold land (refer note a)	20,067	—	—	—	20,067	—	—	—	—	20,067
Leasehold land	3,981	5,826	1,590	—	11,397	496	—	54	—	10,847
Buildings (refer note b)	46,201	3,457	848	—	50,506	9,113	—	2,124	842	38,427
Leasehold improvements	64	—	—	—	64	64	—	—	—	64
Plant and machinery (refer note b)	1,83,261	19,998	6,148	1,224	2,08,183	90,129	1,142	15,645	31	1,04,663
Office equipments	1,064	61	—	4	1,121	596	4	127	140	859
Computers	1,227	154	—	28	1,353	706	27	250	37	966
Furniture and fixtures	7,494	1,314	—	28	8,780	5,611	16	1,550	29	7,174
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Total	2,66,843	31,182	8,586	1,315	3,05,296	1,08,237	1,219	20,083	1,096	1,28,197
Intangible assets										
Goodwill	6,543	—	—	—	6,543	6,543	—	—	—	6,543
Licenses and rights	7,516	6	2,544	—	10,066	5,333	—	671	—	6,004
Brands	631	—	—	—	631	631	—	—	—	631
Total	14,690	6	2,544	—	17,240	12,507	—	671	—	13,178
Grand Total	2,81,533	31,188	11,130	1,315	3,22,536	1,20,744	1,219	20,754	1,096	1,41,375
Tangible assets										
Freehold land (refer note a)	20,067	—	—	—	20,067	—	—	—	—	20,067
Leasehold land	3,981	5,826	1,590	—	11,397	496	—	54	—	10,847
Buildings (refer note b)	46,201	3,457	848	—	50,506	9,113	—	2,124	842	38,427
Leasehold improvements	64	—	—	—	64	64	—	—	—	64
Plant and machinery (refer note b)	1,83,261	19,998	6,148	1,224	2,08,183	90,129	1,142	15,645	31	1,04,663
Office equipments	1,064	61	—	4	1,121	596	4	127	140	859
Computers	1,227	154	—	28	1,353	706	27	250	37	966
Furniture and fixtures	7,494	1,314	—	28	8,780	5,611	16	1,550	29	7,174
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Total	2,66,843	31,182	8,586	1,315	3,05,296	1,08,237	1,219	20,083	1,096	1,28,197
Intangible assets										
Goodwill	6,543	—	—	—	6,543	6,543	—	—	—	6,543
Licenses and rights	7,516	6	2,544	—	10,066	5,333	—	671	—	6,004
Brands	631	—	—	—	631	631	—	—	—	631
Total	14,690	6	2,544	—	17,240	12,507	—	671	—	13,178
Grand Total	2,81,533	31,188	11,130	1,315	3,22,536	1,20,744	1,219	20,754	1,096	1,41,375
Tangible assets										
Freehold land (refer note a)	20,067	—	—	—	20,067	—	—	—	—	20,067
Leasehold land	3,981	5,826	1,590	—	11,397	496	—	54	—	10,847
Buildings (refer note b)	46,201	3,457	848	—	50,506	9,113	—	2,124	842	38,427
Leasehold improvements	64	—	—	—	64	64	—	—	—	64
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Furniture and fixtures	7,494	1,314	—	28	8,780	5,611	16	1,550	29	7,174
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Total	2,66,843	31,182	8,586	1,315	3,05,296	1,08,237	1,219	20,083	1,096	1,28,197
Intangible assets										
Goodwill	6,543	—	—	—	6,543	6,543	—	—	—	6,543
Licenses and rights	7,516	6	2,544	—	10,066	5,333	—	671	—	6,004
Brands	631	—	—	—	631	631	—	—	—	631
Total	14,690	6	2,544	—	17,240	12,507	—	671	—	13,178
Grand Total	2,81,533	31,188	11,130	1,315	3,22,536	1,20,744	1,219	20,754	1,096	1,41,375
Tangible assets										
Freehold land (refer note a)	20,067	—	—	—	20,067	—	—	—	—	20,067
Leasehold land	3,981	5,826	1,590	—	11,397	496	—	54	—	10,847
Buildings (refer note b)	46,201	3,457	848	—	50,506	9,113	—	2,124	842	38,427
Leasehold improvements	64	—	—	—	64	64	—	—	—	64
Plant and machinery (refer note b)	1,83,261	19,998	6,148	1,224	2,08,183	90,129	1,142	15,645	31	1,04,663
Office equipments	1,064	61	—	4	1,121	596	4	127	140	859
Computers	1,227	154	—	28	1,353	706	27	250	37	966
Furniture and fixtures	7,494	1,314	—	28	8,780	5,611	16	1,550	29	7,174
Laboratory equipments	2,506	306	—	—	2,812	998	—	222	12	1,606
Vehicles	978	66	—	31	1,013	524	30	111	5	1,580
Total	2,66,843	31,182	8,586	1,315	3,05,296	1,08,237	1,219	20,083	1,096	1,28,197
Intangible assets										
Goodwill	6,543	—	—	—	6,543	6,543	—	—	—	6,543
Licenses and rights	7,516	6	2,544	—	10,066	5,333	—	671	—	6,004
Brands	631	—	—	—	631	631	—	—	—	631
Total	14,690	6	2,544	—	17,240	12,507	—	671	—	13,178
Grand Total	2,81,533	31,188	11,130	1,315	3,22,536	1,20,744	1,219	20,754	1,096	1,41,375
Tangible assets										
Freehold land (refer note a)	20,067	—	—	—	20,067	—	—	—	—	20,067
Leasehold land	3,981	5,826	1,590	—	11,397	496	—	54	—	10,847
Buildings (refer note b)	46,201	3,457	848	—	50,506	9,113	—	2,124	842	38,427
Leasehold improvements	64	—	—	—	64	64	—	—	—	64
Plant and machinery (refer note b)	1,83,261	19,998	6,148	1,224	2,08,183	90,129	1,142	15,645	31	1,04,663
Office equipments	1,064	61	—	4	1,121	596	4	127	140	859
Computers	1,227	154	—	28	1,353	706	27	250	37	966
Furniture and fixtures	7,494	1,314	—	28	8,780	5,611	16	1,550	29	7,174
Laboratory equipments	2,506	306	—	—	2,812	998	—	222	12	1,606
Vehicles	978	66	—	31	1,013	524	30	111	5	1,580
Total	2,66,843	31,182	8,586	1,315	3,05					

Notes:

- Land measuring 9.04 acres with cost of Rs. 72 Lakhs (Previous year: Rs. 72 Lakhs) is pending registration in the name of the Company.
- Buildings and Plant and machinery additions during the year includes Rs. 170 Lakhs (Previous year: Rs. Nil) and Rs. 878 Lakhs (Previous year: Rs. Nil), respectively towards borrowing costs capitalised during this year.
- Buildings include those constructed on leasehold land as follows:

	As at March 31, 2015	As at March 31, 2014
Gross block (i)	19,037	15,043
Depreciation charge for the year	1,149	544
Accumulated depreciation (ii)	4,357	3,208
Net block [(i) – (ii)]	14,680	11,835

12. NON-CURRENT INVESTMENTS**(unquoted, valued at cost unless otherwise stated)****Trade investments***Equity instruments*Investment in associate

As at March 31, 2015	As at March 31, 2014
Kingfisher East Bengal Football Team Private Limited (Formerly, United East Bengal Football Team Private Limited) [4,999 (Previous year: 4,999) equity shares of Rs. 10 each]	1 1

Non-trade investments*Equity instruments*

The Zoroastrian Co-operative Bank Limited [2,000 (Previous year: 2,000) equity shares of Rs. 25 each]	1	1
SAB Miller India Limited (Formerly, Skol Breweries Limited) [300 (Previous year: 300) equity shares of Rs. 10 each]*	0	0
Castle Breweries Limited (Formerly, Jupiter Breweries Industries Limited) [50 (Previous year: 50) equity shares of Rs. 10 each]*	0	0
Mohan Meakin Limited [100 (Previous year: 100) equity shares of Rs. 5 each]*	0	0
Blossom Industries Limited [100 (Previous year: 100) equity shares of Rs. 3 each]*	0	0
The Cosmos Co-operative Bank Limited [1,000 (Previous year: 1,000) equity shares of Rs. 100 each]	1	1

In government securities

National savings certificate	18	18
Less: Provision for diminution in value of investments	<u>(15)</u>	<u>3 (15)</u>
Total	6	6

*Rounded off.

Aggregate amount of unquoted investments (net)	6	6
Aggregate provision for diminution in value of investments	<u>15</u>	<u>15</u>

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Notes to Consolidated Financial Statements contd.

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

13. LOANS AND ADVANCES

Unsecured, considered good

	Long-term		Short-term	
	As at	<i>As at</i>	As at	<i>As at</i>
	March 31, 2015	<i>March 31, 2014</i>	March 31, 2015	<i>March 31, 2014</i>
Capital advances	3,039	3,994	—	—
Security deposits	3,382	3,630	1,950	1,354
Advance to suppliers	2,851	2,649	1,441	1,415
Advance to related party	—	—	27	—
Prepaid expenses	175	131	5,914	5,252
Balance with statutory/government authorities	1,504	182	12,811	27,035
Other loans and advances				
Advance income tax (net of provision)	8,205	6,797	—	—
Other advances recoverable in cash or kind	178	80	229	578
	19,334	<i>17,463</i>	22,372	<i>35,634</i>

Unsecured, considered doubtful

Capital advances	76	74	—	—
Security deposits	16	15	—	—
Advance to suppliers	55	55	—	—
Advance to Star Investments Private Limited*	597	597	—	—
Provision for doubtful advances	(744)	(741)	—	—
	19,334	<i>17,463</i>	22,372	<i>35,634</i>

*The Company had entered into an agreement with the promoters of Balaji Distilleries Limited ('BDL') with a view to secure perpetual usage of its brewery and grant of first right of refusal in case of sale or disposal of its brewery unit. In respect of the same, the Company had made a refundable advance of Rs. 15,500 Lakhs to Star Investments Private Limited ('Star'), one of the promoter companies of BDL. Subsequently, pursuant to a scheme of arrangement, BDL demerged its brewery into Chennai Breweries Private Limited ('CBPL') which was later merged with the Company. The Company then entered into an agreement with Star and extended the repayment of this advance including interest thereon. The principal amount had been repaid and the remaining unpaid interest thereon of Rs. 597 Lakhs had been fully provided for.

14. OTHER ASSETS

Unsecured, considered good

	Non-current		Current	
	As at	<i>As at</i>	As at	<i>As at</i>
	March 31, 2015	<i>March 31, 2014</i>	March 31, 2015	<i>March 31, 2014</i>
Bank deposits with original maturity of more than 12 months	13	7	—	—
Margin money deposits towards bank guarantees	102	100	—	—
Interest accrued on fixed deposits, loans and advances	—	—	48	120
Government grant receivable	328	457	—	—
Total	443	<i>564</i>	48	<i>120</i>

15. INVENTORIES**(valued at lower of cost and net realisable value)**

	As at March 31, 2015	<i>As at March 31, 2014</i>
Raw materials	13,056	17,470
[Includes in transit: Rs. 173 Lakhs (Previous year: Rs. 122 Lakhs)]		
Packing materials and bottles	6,288	5,002
[Includes in transit: Rs. 301 Lakhs (Previous year: Rs. 435 Lakhs)]		
Work-in-progress	19,745	18,234
Finished goods*	11,450	8,808
Traded goods	148	57
Stores and spares [Includes in transit: Rs.130 Lakhs (Previous year: Rs.126 Lakhs)]	5,223	4,843
Total	55,910	54,414

*Net of provision for obsolete stock Rs. 196 Lakhs (Previous year: Rs. 50 Lakhs).

16. TRADE RECEIVABLES**Secured, considered good**

- Outstanding for a period exceeding six months from the date they are due for payment	1,782	613
- Others	158	8
	<u>1,940</u>	<u>621</u>

Unsecured, considered good

- Outstanding for a period exceeding six months from the date they are due for payment	—	1
- Others	94,494	95,239
	<u>94,494</u>	<u>95,240</u>

Unsecured, considered doubtful

- Outstanding for a period exceeding six months from the date they are due for payment	907	1,157
- Others	511	418
	<u>1,418</u>	<u>1,575</u>

Less: Provision for doubtful receivables

	<u>(1,418)</u>	<u>(1,575)</u>
--	----------------	----------------

Total

96,434 95,861

17. CASH AND BANK BALANCES**Cash and cash equivalents**

Bank balances on current accounts [refer note (a) below]	581	4,103
Bank deposits with original maturity of 3 months or less	3	2,525
Cash on hand	31	25
	<u>615</u>	<u>6,653</u>

Other bank balances [refer note (b) below]

Bank deposits with original maturity of:

Less than 12 months but more than 3 months	614	7,515
Greater than 12 months	83	86

697 7,601

Total

1,312 14,254

Notes:

a) Includes balance in unpaid dividend account Rs. 94 Lakhs (Previous year: Rs. 73 Lakhs).

b) Other bank balances excludes bank deposits with remaining maturity of more than 12 months and margin money deposits (refer note 14).

Notes to Consolidated Financial Statements contd.

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

18. CAPITAL AND OTHER COMMITMENTS

	As at March 31, 2015	As at March 31, 2014
Estimated amount of contract remaining to be executed (net of capital advances) on capital account and not provided for	13,444	10,065
Commitment to acquire assets of Pacific Spirits Private Limited, subject to fulfillment of certain conditions	—	10,500
Other contractual commitments	1,901	1,475
Total	15,345	22,040

For commitments relating to lease arrangements, refer note 30.

19. CONTINGENT LIABILITIES

Bank guarantees	2,690	2,615
Letter of credit	1,111	1,386
Demands under appeal for following matters*		
- Income tax	14,160	13,308
- Service tax	22,946	34,454
- Water charges	3,737	3,317
- Sales tax	7,050	356
- Excise duty/customs duty	228	147
- Employee state insurance/provident fund	16	16
Claims against the company not acknowledged as debts*	1,121	1,058
Total	53,059	56,657

*The Group is contesting these demands and the management, with the advise of its advisors, believes that its position will likely be upheld in the appellate process. No expense has been accrued in the consolidated financial statements for these demands raised. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Group's financial position and results of operations. The Group does not expect any reimbursements in respect of the above contingent liabilities.

In addition, the Group is subject to legal proceedings and claims, which have arisen in the ordinary course of business. The Group's management reasonably does not expect that these legal actions, when ultimately concluded and determined, will have material effect on the Group's results of operations or financial condition.

20. DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER THE MSMED ACT, 2006

The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year

- Principal amount due to micro and small enterprises	385	335
- Interest due on above	4	1
Total	389	336

The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year

The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	—	—
--	---	---

The amount of interest accrued and remaining unpaid at the end of each accounting year

The amount of interest accrued and remaining unpaid at the end of each accounting year	28	34
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	117	89

Note: The information given above is to the extent such parties have been identified by the Group on the basis of information disclosed by the suppliers.

21. REVENUE FROM OPERATIONS

	March 31, 2015	March 31, 2014
Sale of products*	7,72,039	6,81,602
Sale of services**	683	504
Other operating revenue	51,279	44,206
Revenue from operations (gross)	8,24,001	7,26,312
Less: Excise duty	3,55,190	3,03,346
Revenue from operations (net)	4,68,811	4,22,966

* Includes sale of beer Rs. 7,66,369 Lakhs (Previous year: Rs. 6,76,697 Lakhs)
and sale of malt Rs. 5,670 Lakhs (Previous year: Rs. 4,905 Lakhs).

** Royalty income

22. OTHER INCOME

Interest income on fixed deposits, loans and advances	776	169
Net gain on sale of fixed assets	—	11
Government grant (industrial promotion subsidy)	1,090	—
Liabilities no longer required written back	518	742
Provision for doubtful debts, no longer required written back	773	14
Provision for doubtful advances, no longer required written back	—	6
Other non-operating income	608	576
Total	3,765	1,518

23. COST OF MATERIALS CONSUMED**Raw materials**

Inventories at the beginning of the year	17,470	17,176
Add: Purchases	63,794	64,008
Less: Inventories at the end of the year	(13,056)	(17,470)
Consumption	68,208	63,714

Packing materials and bottles

Inventories at the beginning of the year	5,002	6,421
Add: Purchases	1,18,424	1,05,735
Less: Inventories at the end of the year	(6,288)	(5,002)
Consumption	1,17,138	1,07,154
Total	1,85,346	1,70,868

24. PURCHASES OF TRADED GOODS

Beer	5,593	3,360
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Notes to Consolidated Financial Statements contd.

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	March 31, 2015	March 31, 2014
25. INCREASE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND TRADED GOODS		
Inventories at the beginning of the year		
Finished goods	8,858	6,888
Traded goods	57	—
Work-in-progress	18,234	16,272
	<u>27,149</u>	<u>23,160</u>
Less: Inventories at the end of the year		
Finished goods	11,646	8,858
Traded goods	148	57
Work-in-progress	19,745	18,234
	<u>31,539</u>	<u>27,149</u>
Increase in inventories	(4,390)	(3,989)
Increase in excise duty on inventories	2,823	2,966
Total	(1,567)	(1,023)

26. EMPLOYEE BENEFITS EXPENSE*

Salaries, wages and bonus	24,503	22,295
Gratuity expense [refer note (i) below]	2,674	1,334
Contribution to provident and other funds [refer note (ii) below]	1,434	1,299
Staff welfare expenses	1,486	1,354
Total	30,097	26,282

*Includes incremental charge of Rs. 2,367 Lakhs (Previous year : Rs. Nil) on account of change in actuarial assumptions in respect of gratuity and compensated absences and is net of reversal of provision no longer required amounting to Rs. 871 (Previous year : Rs. Nil)

- (i) The Group operates two defined benefit plans i.e., gratuity and provident fund for its employees. Under the gratuity plan, every employee who has completed at least five years of service gets a gratuity on departure @15 days of last drawn salary for each completed year of service. Under the provident fund benefit plan, the Group contributes to the provident fund trust which guarantees a specified rate of return on such contributions on a periodical basis. The shortfall in the return, if any is borne by the Group. The following table summarises the components of net benefit expenses and the funded status for respective plans:

	Gratuity		Provident fund	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
a) Changes in the present value of the defined benefit obligation				
Obligations at beginning of the year	4,016	2,869	6,656	4,951
Current service cost	332	223	1,398	1,357
Interest cost	359	222	611	490
Past service cost	(13)	—	—	—
Benefits paid	(282)	(368)	(505)	(392)
Actuarial (gain)/loss	2,524	1,070	74	250
Obligations at end of the year	6,936	4,016	8,234	6,656

	Gratuity		Provident fund	
	March 31, 2015	<i>March 31, 2014</i>	March 31, 2015	<i>March 31, 2014</i>
b) Change in fair value of plan assets				
Plan assets at the beginning of the year	3,170	2,353	6,765	5,303
Expected return on plan assets	291	220	621	490
Contributions during the year	1,003	1,004	1,397	1,357
Benefits paid	(282)	(368)	(505)	(392)
Actuarial gain/(loss)	237	(39)	26	7
Plan assets at end of the year	4,419	<i>3,170</i>	8,304	<i>6,765</i>
Actual return on plan assets	528	181	647	497
c) Benefit asset/(liability)				
Fair value of plan assets	4,419	3,170	8,304	6,765
Present value of the defined benefit obligations	6,936	4,016	8,234	6,656
Benefit asset/(liability)	(2,517)	<i>(846)</i>	70	<i>109</i>
d) Net employee benefit expense recognised in the employee cost				
Current service cost	332	223	1,398	1,357
Interest cost	359	222	611	490
Past service cost	(13)	—	—	—
Expected return on plan assets	(291)	(220)	(621)	(490)
Actuarial (gain)/loss	2,287	1,109	48	243
Net employee benefit expense*	2,674	<i>1,334</i>	1,436	<i>1,600</i>
*In respect of provident fund trust, since there is no shortfall in defined benefit obligation, the amount recognised in the statement of profit and loss is the amount contributed to provident fund by the Group.				
e) Major category of plan assets as a percentage of fair value of total plan assets				
Government securities	—	—	48%	46%
Corporate bonds	—	—	48%	54%
Fund balance with insurance companies	100%	100%	4%	—
Total	100%	<i>100%</i>	100%	<i>100%</i>

Notes to Consolidated Financial Statements contd.

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	Gratuity		Provident fund	
	March 31, 2015	<i>March 31, 2014</i>	March 31, 2015	<i>March 31, 2014</i>
f) The principal assumptions used in determining gratuity and provident fund obligations for the Group plans are as shown below:				
Discount rate	7.80%	9.25%	7.80%	9.25%
Estimated rate of return on plan assets	8.25%	8.25%	8.60% - 9.25%	8.75% - 9.75%
Salary increase rate	10.00% - 10.50%	5.00%	10.50%	5.00%
Employee turnover	5.00% - 15.00%	5.00%	5.00% - 15.00%	5.00%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The overall expected rate of return on assets is determined based on the market price prevailing on that date, applicable to the period over which the obligation is to be settled.

The Group expects to contribute Rs. 2,000 Lakhs (Previous year: Rs. 296 Lakhs) and Rs. 1,500 Lakhs (Previous year: Rs. 1,000 Lakhs) to gratuity and provident fund respectively in the next year.

- g) Amounts for current and previous periods are as follows:

	March 31, 2015	<i>March 31, 2014</i>	<i>March 31, 2013</i>	<i>March 31, 2012</i>	<i>March 31, 2011</i>
<u>Gratuity</u>					
Defined benefit obligation	6,936	4,016	2,869	2,219	1,878
Plan assets	4,419	3,170	2,353	1,656	1,639
Surplus/(deficit)	(2,517)	(846)	(516)	(563)	(239)
Experience adjustment on plan liabilities	(472)	1,254	67	(20)	49
Experience adjustment on plan assets	235	(70)	35	(10)	(13)
<u>Provident fund**</u>					
Defined benefit obligation	8,234	6,656	4,951	4,222	
Plan assets	8,304	6,765	5,303	4,303	
Surplus/(deficit)	70	109	352	81	
Experience adjustment on plan liabilities	74	250	(2)	(4)	
Experience adjustment on plan assets	26	7	223	50	

**The year ended March 31, 2012 being the first year of presentation of provident fund details by the Company on issuance of final guidance for measurement of provident fund liabilities by the Actuarial Society of India, the comparative information for year ended March 31, 2011 has not been furnished.

- (ii) **Contribution to provident and other funds includes the following defined contributions:**

	March 31, 2015	<i>March 31, 2014</i>
Provident fund	974	880
Superannuation fund and national pension scheme	413	346
Employees state insurance fund	47	73
Total	1,434	1,299

Notes to Consolidated Financial Statements contd.

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

27. FINANCE COSTS

	March 31, 2015	March 31, 2014
Interest expense	7,180	7,789
Other borrowing costs	103	164
Total	7,283	7,953

28. OTHER EXPENSES

Consumption of stores and spares	8,567	6,899
Power and fuel	14,761	15,076
Rent	2,419	1,993
Repairs and maintenance		
Plant and machinery	3,283	2,704
Buildings	357	438
Others	733	459
Insurance	560	540
Rates and taxes	6,172	5,234
Auditor remuneration		
Statutory audit fee	108	93
Limited review fee	25	22
Tax audit fee	17	15
Others	24	36
Sales promotion expenses	77,500	67,488
Outward freight, halting and breakage expenses	33,273	24,524
Selling and distribution expense [net of reversal of Rs. 1,956 Lakhs (Previous year: Rs. 522 Lakhs)]	26,091	24,545
Bad debts/advances written off	83	32
Provision for doubtful debts	616	376
Provision for doubtful advances	3	52
Net loss on sale of fixed assets	41	—
Miscellaneous expenses	12,537	13,222
Total	1,87,170	1,63,748

29. EARNINGS PER SHARE (EPS)

The following reflects the profit and share data used in the basic and diluted EPS computation:

Profit after tax	25,984	22,602
Less: Dividend on preferential shares (including dividend distribution tax thereon)	(267)	(260)
Net profit attributable to equity shareholders	25,717	22,342
Weighted average number of equity shares considered for calculating basic/diluted EPS	26,44,05,149	26,44,05,149
Earnings per share (Basic/Diluted)	9.73	8.45

Notes to Consolidated Financial Statements contd.

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

30. OPERATING LEASE

The Group has entered into operating lease arrangements for vehicles, computers, equipments, office premises and employee residential premises. These leases are for a period of 11 to 60 months with options of renewal and premature termination with notice period, except in certain leases with lock-in period of 12 to 60 months. There are certain sub-lease restrictions placed upon the Group by entering into these leases. The total lease rentals expense for the year is Rs. 2,419 Lakhs (Previous year: Rs. 1,993 Lakhs). Future minimum rentals payable under non-cancellable operating leases are as follows:

	March 31, 2015	March 31, 2014
Within one year	648	674
After one year but not more than five years	490	1,077
More than five years	—	—
Total	1,138	1,751

31. DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURE

a) Derivatives outstanding as at the reporting date

Particulars	Purpose	Currency	March 31, 2015		March 31, 2014	
			Foreign currency (in millions)	Rs. in Lakhs	Foreign currency (in millions)	Rs. in Lakhs
Cross currency swaps for INR against USD*	Hedge of foreign currency loans- Principal and interest	USD	115.00	60,714	135.00	69,934
Interest rate swaps*	Hedge against exposure to variable interest outflow on loans	USD	115.00	60,714	135.00	69,934

*Amount disclosed represents the underlying principal amount of loan.

b) Particulars of un-hedged foreign currency exposure as at the reporting date

	March 31, 2015	March 31, 2014
Trade payables	815	1,059
Liability for capital goods	74	13
Advances to suppliers	310	370
Capital advances	344	499

32. ACQUISITION OF ASSETS OF PACIFIC SPIRITS PRIVATE LIMITED

Pursuant to the approval of the Board of Directors in its meeting held on August 13, 2013, the Company has acquired certain assets of Pacific Spirits Private Limited on September 1, 2014 for an aggregate consideration of Rs. 10,500 Lakhs. Accordingly, these assets including cost of such acquisition have been recorded by the Company at their respective values, determined by an independent valuer, as detailed below:

Particulars	Amount (Rs. in Lakhs)*
Leasehold land	1,590
Buildings	848
Plant and machinery	6,148
Licenses and rights	2,544
Total	11,130

*Includes Rs. 630 Lakhs relating to cost of acquisition of these assets.

The aforesaid assets are being depreciated over the remaining useful life of respective assets, as estimated by the management based on certification by an expert.

33. Pursuant to mergers of Empee Breweries Limited (EBL), with the Company during the year ended March 31, 2011, the Company is in the process of getting the name of this merged entity changed in the records of state excise and other regulatory authorities. Pending completion of these formalities, the name of merged entity is continued to be used in various documents and records of the Company.
34. The summary of net assets and share in consolidated profit as included in consolidated financial statements is as follows:

	As a % of consolidated net assets	Net assets	As a % of consolidated net profit	Net profit/ (loss)
March 31, 2015				
United Breweries Limited, Parent	98.4%	182,568	105.7%	27,460
Maltex Malsters Limited, Indian subsidiary	1.5%	2,811	(5.8)%	(1,514)
Minority interest in subsidiary	0.1%	217	0.1%	38
Total	100.00%	185,596	100.00%	25,984
March 31, 2014				
United Breweries Limited, Parent	98.4%	168,092	107.3%	24,257
Maltex Malsters Limited, Indian subsidiary	1.5%	2,570	(7.5)%	(1,694)
Minority interest in subsidiary	0.1%	188	0.2%	39
Total	100.00%	170,850	100.00%	22,602

35. CAPITALIZATION OF EXPENDITURE

During the year, the Group has capitalized the following expenses to the cost of fixed asset/capital work-in-progress. Consequently, expenses disclosed under the respective notes are net of amounts capitalized by the Group.

	March 31, 2015	March 31, 2014
Salaries, wages and bonus	216	—
Power and fuel	154	—
Interest expenses (net)	1,048	128
Other expenses	1,512	—
Total	2,930	128

[This space has been intentionally left blank]

Notes to Consolidated Financial Statements contd.

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

36. RELATED PARTY DISCLOSURES

A. Name of related parties and related party relationships

Related parties under AS-18 with whom transactions have taken place during the year:

Associate	: Kingfisher East Bengal Football Team Private Limited ('KEBFTPL') (Formerly, United East Bengal Football Team Private Limited)
Enterprises having significant influence	: Scottish & Newcastle India Limited, UK ('SNIL') United Breweries (Holdings) Limited ('UBHL')
Key management personnel (KMP)	: Mr. Kalyan Ganguly, Managing Director Mr. Henricus Petrus van Zon, Director, CFO
Relative of KMP	: Mrs. Suparna Bakshi Ganguly (Wife of Mr. Kalyan Ganguly)
Enterprises over which investing parties or KMP have significant influence:	: Heineken UK Limited ('HUL'), holding company of SNIL Heineken International B.V. ('HIBV') Heineken Brouwerijen B.V. ('HBBV') Heineken Supply Chain B.V. ('HSCBV') Heineken Asia Pacific Pte. Ltd. ('HAPPL') Asia Pacific Breweries (Singapore) Pte. Ltd. ('APBS') Heineken Ceska Republika ('HCR') Force India F1 Team Limited, UK ('Force India')

Additional related parties as per the Companies Act, 2013 with whom transactions have taken place during the year:

Directors of Holding Company	: Dr. Vijay Mallya, Chairman Mr. A K Ravi Nedungadi Mr. Duco Reinout Hooft Graafland Mr. Roland Pirmez Mr. Stephan Gerlich Mrs. Kiran Majumdar Shaw Mr. Madhav Bhatkuly Mr. Chugh Yoginder Pal Mr. Chhaganlal Jain Mr. Sunil Alagh
Directors of subsidiary	: Mrs. Kanta Labroo
Key management personnel (KMP):	: Mr. Govind Iyenger, Company Secretary
Relative of director or KMP	: Mr. Umesh Hingorani Mrs. Jenbagalakshmi Iyenger (Wife of Mr. Govind Iyenger)
Private companies in which a director is a director (included in 'Others' below)	: Royal Challengers Sports Private Limited ('RCSPL')
Body corporate/Private companies whose Board of directors is accustomed to act in accordance with advise, directions or instructions of a director (included in 'Others' below)	: United Breweries International (UK) Limited, UK ('UBIUK') Mandwa Farms Private Limited ('MFPL') H. Parson Private Limited ('HPPL') UB Air Private Limited ('UBAPL') Blitz Publications Private Limited ('BPPL') Blitz Multimedia Private Limited ('BMPL') United Spirits Limited ('USL')

B. Transactions with related parties during the year along with balances as at year end:

	Associate		Enterprises having significant influence		Directors, KMP & their relatives		Enterprises over which investing parties or KMP have significant influence			Others	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2015	March 31, 2014
a) Transactions during the year											
Sale of products											
UBHL	—	—	329	421	—	—	—	—	—	—	—
HPPL	—	—	—	—	—	—	—	—	11,310	11,310	11,700
	—	—	329	421	—	—	—	—	11,310	11,310	11,700
Royalty income											
UBIUK	—	—	—	—	—	—	—	—	140	140	—
	—	—	—	—	—	—	—	—	140	140	—
Purchase of materials											
HUL	—	—	—	—	—	—	5	4	—	—	—
HSCBV	—	—	—	—	—	—	3	5	—	—	—
USL	—	—	—	—	—	—	—	—	6	6	59
	—	—	—	—	—	—	8	9	6	6	59
Sales promotion expenses											
KEBFTPL	925	1,022	—	—	—	—	—	—	—	—	—
UBHL	—	—	29	—	—	—	—	—	—	—	—
Force India	—	—	—	—	—	—	2,285	1,799	—	—	—
HIBV	—	—	—	—	—	—	8	—	—	—	—
HBBV	—	—	—	—	—	—	13	21	—	—	—
RCSPL	—	—	—	—	—	—	—	—	600	600	484
HPPL	—	—	—	—	—	—	—	—	389	389	321
BMPL	—	—	—	—	—	—	—	—	7	7	—
	925	1,022	29	—	—	—	2,306	1,820	996	996	805
Rent expense											
UBHL	—	—	68	68	—	—	—	—	—	—	—
MFPL	—	—	—	—	—	—	—	—	155	155	—
BPPL	—	—	—	—	—	—	—	—	38	38	38
USL	—	—	—	—	—	—	—	—	2	2	2
Mrs. Suparna Ganguly	—	—	—	—	26	44	—	—	—	—	—
Mrs. Jenbagalakshmi	—	—	—	—	13	23	—	—	—	—	—
	—	—	68	68	39	67	—	—	195	195	40

Notes to Consolidated Financial Statements contd.

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	Associate		Enterprises having significant influence		Directors, KMP & their relatives		Enterprises over which investing parties or KMP have significant influence		Others	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Technical service fees										
HIBV	—	—	—	—	—	—	600	600	—	—
	—	—	—	—	—	—	600	600	—	—
Royalty paid										
UBHL	—	—	674	674	—	—	—	—	—	—
HBBV	—	—	—	—	—	—	139	78	—	—
	—	—	674	674	—	—	139	78	—	—
Consultancy fees paid										
HSCBV	—	—	—	—	—	—	71	108	—	—
HIBV	—	—	—	—	—	—	1	27	—	—
HBBV	—	—	—	—	—	—	—	19	—	—
	—	—	—	—	—	—	72	154	—	—
Aircraft charges paid										
UBAPL	—	—	—	—	—	—	—	—	634	700
	—	—	—	—	—	—	—	—	634	700
Reimbursements received										
UBHL	—	—	7	5	—	—	—	—	—	—
HPPL	—	—	—	—	—	—	—	—	9	14
USL	—	—	—	—	—	—	—	—	51	44
	—	—	7	5	—	—	—	—	60	58
Reimbursements paid										
UBHL	—	—	11	25	—	—	—	—	—	—
HIBV	—	—	—	—	—	—	168	172	—	—
HCR	—	—	—	—	—	—	44	—	—	—
HAPPL	—	—	—	—	—	—	3	—	—	—
APBS	—	—	—	—	—	—	1	—	—	—
HPPL	—	—	—	—	—	—	—	—	52	264
USL	—	—	—	—	—	—	—	—	19	9
	—	—	11	25	—	—	216	172	71	273
Remuneration paid										
Mr. Kalyan Ganguly	—	—	—	—	844	581	—	—	—	—
Mr. Henricus Petrus van Zon	—	—	—	—	690	491	—	—	—	—
Mr. Govind Iyenger	—	—	—	—	117	101	—	—	—	—
Mr. Umesh Hingorani	—	—	—	—	86	68	—	—	—	—
Mrs. Kanta Labroo	—	—	—	—	17	16	—	—	—	—
	—	—	—	—	1,754	1,257	—	—	—	—

Associate	March 31, 2015		March 31, 2014		March 31, 2015		March 31, 2014		March 31, 2015		March 31, 2014		March 31, 2015		March 31, 2014		Others
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014	
Sitting fee paid																	
Dr. Vijay Mallya	—	—	—	—	—	—	3	1	—	—	—	—	—	—	—	—	—
Mr. A K Ravi Nedungadi	—	—	—	—	—	—	4	1	—	—	—	—	—	—	—	—	—
Mr. Duco Reinout Hooft Graafland	—	—	—	—	—	—	1	—	—	—	—	—	—	—	—	—	—
Mr. Roland Pirmez	—	—	—	—	—	—	1	—	—	—	—	—	—	—	—	—	—
Mr. Stephan Gerlich	—	—	—	—	—	—	1	—	—	—	—	—	—	—	—	—	—
Mrs. Kiran Majumdar Shaw	—	—	—	—	—	—	3	1	—	—	—	—	—	—	—	—	—
Mr. Madhav Bhatkuly	—	—	—	—	—	—	1	1	—	—	—	—	—	—	—	—	—
Mr. Chugh Yoginder Pal	—	—	—	—	—	—	6	2	—	—	—	—	—	—	—	—	—
Mr. Chhaganlal Jain	—	—	—	—	—	—	6	2	—	—	—	—	—	—	—	—	—
Mr. Sunil Alagh	—	—	—	—	—	—	5	2	—	—	—	—	—	—	—	—	—
	—	—	—	—	—	—	31	10	—	—	—	—	—	—	—	—	—
Director Commission paid																	
Dr. Vijay Mallya	—	—	—	—	—	—	229	210	—	—	—	—	—	—	—	—	—
Mr. Stephan Gerlich	—	—	—	—	—	—	25	23	—	—	—	—	—	—	—	—	—
Mrs. Kiran Majumdar Shaw	—	—	—	—	—	—	25	23	—	—	—	—	—	—	—	—	—
Mr. Madhav Bhatkuly	—	—	—	—	—	—	25	23	—	—	—	—	—	—	—	—	—
Mr. Chugh Yoginder Pal	—	—	—	—	—	—	25	23	—	—	—	—	—	—	—	—	—
Mr. Chhaganlal Jain	—	—	—	—	—	—	25	23	—	—	—	—	—	—	—	—	—
Mr. Sunil Alagh	—	—	—	—	—	—	25	23	—	—	—	—	—	—	—	—	—
	—	—	—	—	—	—	379	348	—	—	—	—	—	—	—	—	—
Redemption of preference shares																	
SNIL	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Dividend paid on preference shares																	
SNIL	—	—	222	222	—	—	—	—	—	—	—	—	—	—	—	—	—
	—	—	222	222	—	—	—	—	—	—	—	—	—	—	—	—	—
Dividend paid on equity shares																	
SNIL	—	—	810	630	—	—	—	—	—	—	—	—	—	—	—	—	—
UBHL	—	—	273	212	—	—	—	—	—	—	—	—	—	—	—	—	—
Dr. Vijay Mallya	—	—	—	—	—	—	189	147	—	—	—	—	—	—	—	—	—
HUL	—	—	—	—	—	—	—	—	76	—	—	—	—	—	—	—	—
HIBV	—	—	—	—	—	—	—	—	38	—	—	—	—	—	—	—	—
USL	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	77	60
	—	—	1,083	842	—	—	189	147	114	62	—	—	—	—	77	60	—

Notes to Consolidated Financial Statements contd.

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	Associate		Enterprises having significant influence		Directors, KMP & their relatives		Enterprises over which investing parties or KMP have significant influence		Others	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
b) Balances outstanding as at year end										
Preference share capital	—	—	—	—	—	—	—	—	—	—
SNIL	—	—	—	7,407	—	—	—	—	—	—
Trade payables	—	—	—	7,407	—	—	—	—	—	—
KEBFTPL	(116)	(37)	—	—	—	—	—	—	—	—
UBHL	—	—	(1,374)	(38)	—	—	—	—	—	—
HIBV	—	—	—	—	—	—	(540)	(616)	—	—
HBBV	—	—	—	—	—	—	(35)	(21)	—	—
HUL	—	—	—	—	—	—	(1)	—	—	—
UBAPL	—	—	—	—	—	—	—	—	—	(309)
	(116)	(37)	(1,374)	(38)	—	—	(576)	(637)	—	(309)
Investment in equity shares	1	1	—	—	—	—	—	—	—	—
KEBFTPL	1	1	—	—	—	—	—	—	—	—
Trade receivables	—	—	6	126	—	—	—	—	—	—
UBHL	—	—	—	—	—	—	—	—	575	620
HPPL	—	—	6	126	—	—	—	—	575	620
Advances	—	—	—	—	—	—	—	—	—	—
HSCBV	—	—	—	—	—	—	27	—	—	—
Security deposits	—	—	—	—	—	—	27	—	—	—
UBHL	—	—	2,009	2,009	—	—	—	—	—	—
Mrs. Suparna Ganguly	—	—	—	—	—	37	—	—	—	—
Mrs. Jenbagalakshmi	—	—	—	—	—	20	—	—	—	—
	—	—	2,009	2,009	—	57	—	—	—	—
Prepaid expenses	—	—	—	—	—	—	—	—	—	—
Force India	—	—	—	—	—	—	2,513	2,033	—	—
	—	—	—	—	—	—	2,513	2,033	—	—

The remuneration to key managerial personnel and relatives does not include the provisions made for gratuity and compensated absences, as they are determined on an actuarial basis for the Group as a whole.

37. GOODWILL ON CONSOLIDATION

The goodwill on consolidation relates to goodwill arisen on consolidation of MML and the same is net of impairment loss of Rs. 1,959 Lakhs (Previous year: Rs. 1,959 Lakhs). The impairment loss has arisen due to continued delay in obtaining necessary approvals to expand malting facility at MML, leading to losses due to high overhead costs incurred on operating at its current level of capacity. In view of management, no further provision for impairment is considered necessary as at March 31, 2015.

38. SEGMENT REPORTING

The Group's business activity falls within a single business segment i.e. manufacture and sale of beer including licensing of brands. Also, the Group's operations are predominantly in India. Hence, there are no material additional disclosures to be provided under Accounting Standard 17 – Segment Reporting, other than those already provided in the consolidated financial statements.

39. PREVIOUS YEAR FIGURES

The previous year's figures have been regrouped where necessary to conform to this year's classification.

As per our report of even date

For S.R. Batliboi & Associates LLP
 Chartered Accountants
 ICAI Firm Registration Number: 101049W

per Mahendra Jain

Partner

Membership Number: 205839

Place: Bengaluru, May 28, 2015

For and on behalf of the Board of Directors of
 United Breweries Limited

Kalyan Ganguly
 Managing Director

Govind Iyengar
 Company Secretary

Place: Bengaluru, May 28, 2015

Henricus Petrus van Zon
 Director, CFO

ANNEXURE - A: BUSINESS RESPONSIBILITY REPORT

About the Report

This Business Responsibility Report provides an overview of the Company's sustainability program for the fiscal year 2014-15. The Company has identified issues material to the business prioritised through effective stakeholder engagements and aligned across the 9 principles enunciated in 'National Voluntary Guidelines (NVGs) on the Social, Environmental and Economic responsibilities of Business' of the Ministry of Corporate Affairs. As per SEBI requirement, the top 100 listed companies based on market capitalization at BSE and NSE need to include Business Responsibility reports as part of their Annual Report.

Vision & Mission

Our Vision

Create value for the organization and stakeholders through sustainable means, enhance quality of life across the socio-economic spectrum and be recognized as a leader in the domain we operate in.

Our Mission Statement embodies the following objectives:

- To be the recognized leader in our target markets.
- To be the preferred employer wherever we operate and recognize the value of our human assets.
- To be the partner of choice for customers, suppliers, stakeholders and other creators of innovative concepts.
- Inclusive growth.

1. Ethics, Transparency and Accountability

United Breweries Limited (UBL) is committed to meet its business needs without compromising on ethics and accountability. To conduct every aspect of our business responsibly and sustainably, we rely on:

1. Strong leadership.
2. Practise of our core values.
3. A well-articulated Enterprise Risk management framework and Code of Business Conduct.
4. Practices that seek to sustain and enhance long-term competitive advantage of the Company.
5. Commitment to achieve our social, environmental and economic goals.

Operations of UBL are managed and controlled under the Chairmanship of Dr. Vijay Mallya, and through a professional Board of Directors. The strategic and execution fronts of UBL's operations are driven by team of highly qualified and competent professionals having vast experience and expertise in their relevant fields. In performing their respective functions, the Directors and employees:

- Act with integrity, probity, honesty, transparency and with utmost good faith.
- Actively assist in implementing the Company's Objectives to create an organization that is responsive, positive and driven by business and social needs.

The Company strictly adheres to ethical and legal standards while pursuing its objectives. The Company has a separate policy on Code of Business Ethics & Conduct which lays down guidelines for ethical and lawful business conduct critical to Company's success.

The Code inter alia covers the following aspects:

- Compliance with Laws, Rules and Regulations;
- Conflict of interest;
- Insider trading;
- Competition and fair dealing;
- Discrimination and harassment;
- Health and safety;
- Confidentiality;
- Protection and proper use of Company assets and proprietary information, and
- Reporting any illegal or unethical behaviour.

In line with the Statutory requirement, the Company has adopted a Code for fair disclosure of unpublished price sensitive information and also a Whistle Blower Mechanism in order to adhere to the high standards of ethical, moral and legal conduct of business operations.

2. Product & Sustainability

Sustainability is not an option but a business imperative for the company. We look at sustainable practices as an opportunity to apply our core strength for social good, and to constantly innovate to create winning solution. Our principles of sustainability guide our interaction with stakeholders in our day-to-day activities.

Sustainable Development is an integral part of the Company. A series of sequential steps towards sustainable development has guided us to reach where we are today. We began with a materiality mapping exercising and the issues identified therein were shared with functional heads and employees across department besides key business associates to get an impartial and efficient view.

Our sustainability agenda is focused on themes – Social Contract, Resource Intensity and Green Innovation. Key Responsibility Areas (KRAs) of our key managers are geared towards improving sustainable initiatives like carbon footprint, waste management, reduction in water consumption, etc.

The Company has a range of marketable products that rely more on intellectual assets. The responsibilities of all stakeholders at each stage of the value chain are clearly articulated. Intellectual property is the most valued aspect of our brands.

While not compromising on quality of its product, UBL ensures that packaging of its product does not have adverse impact on environment and where possible recycled glass bottles are used.

3. Employees' well-being

We at UBL believe that every organization has access to the same resources, but what creates a difference for a market-leading existence is its employees. Employees form the backbone of our Company and an optimal blend of organic and inorganic growth. We believe in capability development in scale and depth of our human capital platform and we have surpassed our targets. Our engagement with employees is designed to bring in discretionary effort along with rational commitment in order to perform and deliver.

UBL adds value to its employee engagement initiatives through outcome based training and rewarding excellence. Career development is business focused and takes into account individual needs. Transfers, promotions, relocations across roles and national territories ensure that we maintain diversity in thoughts and execution, and at the same time engage employees on work that adds value to them.

Annexures contd.

Our agility in the market and in our performance is driven through our continuous focus on individual agility by engaging Stepathlon, a third-party provider focusing on employee health and wellness. We continued our association with Stepathlon this fiscal also and encouraged our employees to be a part of it. In this engagement, UBL employees have taken the initiative to a new height by helping the Company being recognized as "Stepathlon 2014 Most Active Company in the FMCG category." This engagement covered 520 employees taking a pedometer-based walk across our locations, covering a total measured distance of 3,35,784 kilometers in a 100-day walkathon to stay fit and agile towards a performing organization.



Talent Acquisition

Human Resources at UBL maintain and manage contemporary platforms, fairness and equity and a keen process focus towards talent acquisition in a volatile, complex, uncertain and ambiguous talent market. Recruitment practices are controlled and monitored in UBL not just as a Staffing mechanism where the purpose is to establish a formal process by which committed work is matched to unit resources and qualified individuals are recruited, selected, and transitioned into assignments – but as a mature process with defined goals, commitments, abilities, practices and measurements. UBL HR function keeps keen and measured focus inter alia on:

1. Recruitment and retention of skilled employees and picking up talent from premier institutes to refresh its talent pool.
2. Acquiring talent through multi-level interviews with zero conflict of interest and an automated cloud based recruitment application.
3. Bringing in a select mix of external subject matter experts in order to infuse continuous best practices, out of box thinking and application.
4. Professional equation with suppliers and vendors on the talent space.

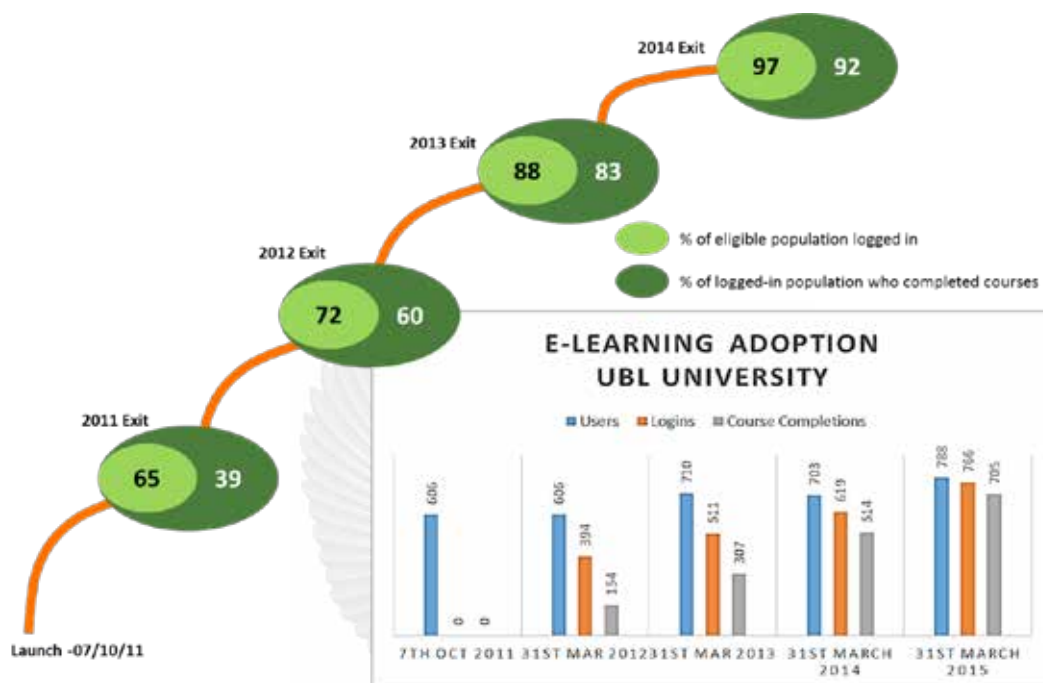
Talent induction and Development

Talent induction and development is as important as production and distribution in the corporate business strategies of knowledge-intense companies. We believe we have an understanding of the same not just from the importance of attracting and retaining talent, but also having a coherent approach to achieving our talent goals and integrate a system of practices to achieve our workforce objectives.

New recruits are taken through a standard induction training programme, which presents a valuable opportunity for our business to develop high standards of administrative practice. UBL remains to be an equal opportunity employer and our units employ differently-abled people and other diverse demography of population. We do not engage child labour, forced labour or any form of involuntary labour, paid or unpaid.

'A learning organization is a sustainable organization', is what we believe in UBL. The primary focus of Training and Development is on removing the gap between the current skills of each individual and the skills required to perform their assignments.

The UBL University in its 4th year is a platform that has high-recall on the employee base. This platform has high-end training programs on Leadership enabled through premium academia interfaces, a self-paced e-learning platform that helps self-skilling for widely dispersed workforce and tracking of skill-based training at multiple locations.



From a pure management perspective, our HR initiatives on learning itself have shown results that has created traction in the external environment. UBL has participated in multiple external forums showcasing best-practices in contemporary learning and knowledge-management methodologies by publishing its success stories as Industry cases, invited by SAP and Skill soft, the national level HR forums.

Organizational practices

In our quest to set up world class manufacturing facilities, we have initiated Project Kavach ("armour" in Hindi) and Project Chamak ("shine" in Hindi) to standardize Safety and Hygiene measures in all our breweries across different locations.

UBL's Total Productivity Management (TPM) UDAAN has now become the cornerstone of People Engagement. This process is bound to lead UBL towards World Class Operational Excellence in several areas of our operations.

UBL conducts regular organizational climate surveys through external/third parties specialized in designing and analysing surveys, maintaining anonymity and confidentiality. In 2014, an external survey was conducted by Great Place to Work (GPTW) Survey by the Great Place to Work Institute. About 84% of our employees randomly selected by the GPTW Institute to be part of the survey stated that UBL is a Great Place to Work.

UBL conducted programmes on Technical Skills, Functional and Theme based Learning. The program covered details of UBL policy on Prevention of Sexual Harassment at Workplace along with other important aspects. In accordance with law, UBL has constituted Internal Complaints Committees (ICC) across its Units and offices to redress complaints of sexual harassment in order to provide a safe and congenial work environment to its employees.

4. Stakeholders' Engagement

UBL is cognizant of its responsibilities to its shareholders. Our governance framework enjoins the high standards of ethical and responsible conduct of business to create value for all stakeholders. UBL operates in close proximity and in collaboration with its stakeholders, employees and business associates.

At UBL, we consider our business associates, suppliers, stockists and distributors as partners in our success and we remain committed to maximizing value for them. The trust that our business associates place in us is key to our success. UBL encourages its suppliers, stockiest and distributors to support various initiatives taken by the company towards its business responsibility.

We focus Corporate Social Responsibility (CSR) activities primarily in 3 major areas viz., Primary Education, Primary Health and Water Management. UBL's CSR Policy is rooted in the Company's core values of quality, reliability, and trust guided by international standards and best practices and driven by our objectives or goals for excellence in the overall performance and business. Our breweries continuously undertake CSR activities towards community welfare, development and water conservation in the identified areas, in pursuance of guidelines in this regard.

UBL conducts medical camp for school children, senior citizens, pregnant ladies and visually challenged students. Primary health check-up is organized by our Unit at Kalyani at the adopted school campus once in a week by a generalist allopathic medical practitioner.



Medical Camp organized by Unit at Goa



Health Care organized by Unit at Kalyani.

Our unit at Aurangabad adopted a school "Gurukul Vidyamandir" at Bhangsi Mata Gad and provided Doctor facility with free medicines and pathology assistance. About 40 students were benefited through by this initiative. Our Unit at Srikakulam organized an Eye Screening Camp at a school premise in the Bantupally Village benefiting about 120 villagers. Regular medical camps are organised by our units at Ludhiana, Odisha, Aurangabad and Nanjungud where free consultation and medicines are provided.

We are also actively involved with primary schools to provide vocational training to students including the visually challenged students and provided Braille Books and assistive devices. We have also provided free computer education training for higher primary school children and also provided infrastructure support like benches, cupboard for Library, etc.

UBL provides school uniforms, books, stationary, furniture etc. to promote primary education in the vicinity of its brewery locations. Our Mangalore unit distributed uniforms to the children of Anganavadi at Kudumbur. Our unit at Nanjungud provided free computer education training for higher primary school children in Hullimavu and K.S. Hundi Village, near the unit location and around 160 students have undergone the training. On the request of Zilla Parishad High School at Kothlapur, our unit at Kothlapur donated furniture for the school at Malkapur. Our unit at Cherthala, in the seventh consecutive year, distributed school bags, uniforms, umbrellas, shoes etc. to around 120 students of the local Government Local Panchayat School located close to the Brewery.



School Uniform distributed by Unit at Mangalore



Education Support by Unit at Ludhiana



Water Management by Unit at Khurda, Odisha

The CSR activities undertaken by your Company also includes building and maintaining water tanks for providing clean drinking water. Our unit at Mangalore organized drinking water facilities for the Government School benefiting about 250 students by this facility. Our unit at Aranvoyal provided R.O. Water System for the benefit at Government Middle School benefiting about 225 students and 12 teachers.

The Company's unit at Goa has undertaken a project "Spring Water Supply to Village" to facilitate nearby villagers and families. Rainwater harvesting facilities have been implemented across all our units. Our unit at Khurda educated villagers on the benefits from the rain-water harvesting project during summer season. Our

unit at Srikakulam supplied potable water to the cyclone affected villagers and laid a water pipeline for Kambalpet village to supply drinking water to the villagers. About 400 villagers were benefited from the project. Our unit at Nelemangala initiated Rain Water Harvesting project for Bommanahalli village and dug a bore-well to benefit about 350 households in that village. Our unit at Khurda organized tanks for supply of water to nearby villages.

5. Human Rights

We at UBL value the rights of individuals and this is demonstrated through the Company's various Policies and Code of Conduct for management, staff, executive and non-executives. UBL recognizes the need to protect basic human rights of all its stakeholders across its operations and also the role that businesses can play in enforcing this protection at a scale that goes beyond the walls of your Company.

As an organization, we respect Human Rights at the workplace and follow best international practices, which ensure the freedom of association, prohibition of child labour, protection of indigenous rights and prohibition of forced and compulsory labour. Our code of Ethics & Conduct lists out general moral imperatives that embody the importance of respecting and protecting each other's rights. Your Company is committed to provide a safe and congenial work environment to its employees and has adopted a Policy for Prohibition of Sexual Harassment at Workplace (ABHAY). Your Company take cognizance that such harassment constitutes infringement of fundamental rights to work in a safe and healthy environment. One complaint received by your Company during the year was dealt with and resolved.

Your Company complies with all applicable labour laws and ensures that human rights are not violated in the conduct of business. No complaints were received pertaining to human rights violation during the financial year 2014-15.

UBL utilises both natural and manmade resources in an optimal and responsible manner. We have been continuously redefining, reinventing and recharging ourselves for global best practices implementation.

6. Environment

Water

Being water based industry, your Company believes that Water is a precious natural resource and its conservation and recharge is crucial for survival. UBL undertakes various projects to improve water conservation, its quality and availability in the vicinity of its breweries. Your Company continuously monitors the water usage areas and adopts world class technology to follow the following 4R approach.

- Reduction of consumption – installation of sophisticated equipment, modification of processes and strict supervision has led to a drastic reduction in the water consumption.
- Recycle and Reuse – reduction of the key pollutants like yeast, trub TDS etc. reduces the load on ETP. Waste water is used for Agriculture. UBL has also collaborated with Agricultural Universities for cultivation of identified crops with waste water from the brewery and irrigation of select soil. Many of the UBL breweries have been using ETP treated water to grow crops like banana, sugar cane, coconut, brinjal etc. inside the brewery premises. We also organise programs from time to time to educate the farmers.
- Recharge and Redistribute Excess Water – rainwater harvesting is an important tool in water conservation. UBL has actively participated in and encouraged rainwater harvesting in almost of its breweries. The rainwater collected is redistributed amongst the community adjacent to the brewery to cater to their water requirement and hence improve their quality of life.

The environmental agenda of reducing environmental impact of Company's operations was achieved by environment management program through a combination of energy and water conservation including rainwater harvesting.

As an environmentally conscious company, we continue to innovate and use efficient technologies to bring down our stain or ecology. Through various initiatives and efforts we were able to reduce our water consumption by 1-2% points on an average, in the reporting year as compared to last year across all our units. We have achieved this despite our increasing production figures.

Water usage areas are monitored, measured and mapped against established standards. UBL initiated the following measures to conserve water:

- Use of RO reject water in vacuum pump & floor cleaning;
- Installation of CRS to use condense water in boiler feed;
- Installation of rain water harvesting at our breweries;
- Most of our Units operate on 'zero discharge' basis and efforts are underway to achieve the same at all our units. We have effluent treatment plants installed across all our Units.
- To add to water conservation, we also have our rain water harvesting projects.

Emission, Waste & Effluents

With regard to other environmental focus UBL has been focusing continuously on alternate methods for improvisation in its waste management and also reduction in Global Financial Crisis (GFC) emission to reduce the overall impact on environment.

The environmental agenda of reducing environmental impact of Company's operation was achieved by environment management program through a combination of energy & water conservation, rainwater harvesting and solid wastes recycling. All the major effluents, waste and emissions are regularly monitored and are well within permissible limits. The broken bottle wastes is recycled through authorized agencies. There is a robust system defined for stage wise monitoring of bottles breakage and efforts are aligned to reduce its generation by modifications/control in equipment.

In this direction, UBL has undertaken following initiatives:

- We have installed bio-fuel based Boilers , resulting in significant environmental benefits by reducing the CO₂ emission in environment.
- To reduce emission with the focus on use of renewable resources like bio-mass fuel, Solar Lights, etc.
- To reduce the environmental impact a mass tree plantation is done at various units of the company.
- Heat Recovery Mechanism

Frost and Sullivan recognized our Golconda unit as a "Challenger-Medium Business" in the Green Manufacturing Excellence Awards 2014.

Occupational Health & Safety

Your Company is focussed on Environment, Health and Safety (EHS). We consider compliance to statutory EHS requirement as the minimum performance standard and are committed to go beyond and adopt stricter standards wherever appropriate. We give priority and attention to the health and safety of employees and train all the employees to work as per the prescribed procedure designed to meet all EHS requirements of the Company.

Your Company has a Policy on Environment, Health and Safety to comply with all applicable health and safety statutory regulations and ensure zero accidents, zero dangerous occurrence, and zero notifiable diseases. EOHS performance was reviewed in operations review with plant leadership team.

Employee Health & Safety highlights:

- Pre-employment medical check-up was introduced for new employees.
- Occupational Health centres provides amenities ranging from basic First Aid to emergency care units.
- Integrated Risk Assessment were carried out to identify and mitigate workplace accidents and other incidents.
- As part of comprehensive training and preparedness approach, functional teams were trained on Health & Safety.
- Scheduled programs held across locations on emergency response, mock evacuation drills.
- Cab pick-up and drop facility for women employees travelling late in the night or early morning.
- Fire Safety Week with National Disaster Response Force officials and demonstrated by their teams.

With an aim to certify all its operational locations with the Integrated Management System–Occupational Health Safety and Environment, UBL has got externally accreditation for its units by TUV NORD. This standard is the foundation of the overall health, safety and environmental framework of UBL.

All our Breweries have been designed using eco-friendly construction materials and principles of design and technology selection have been made to reduce energy consumption by applying green manufacturing principles. Many of our breweries have developed a green belt around them by planting trees.

UBL Palakkad won the first place under the “Medium Scale Category A” award from Kerala State Pollution Control Board for pollution control.

7. Policy Advocacy

UBL practices proactive advocacy with an aim to bring about a positive impact in the business eco-system and communities. At UBL, we recognize the role we can play in larger policy debates to drive change for the greater good. We contribute responsibly to relevant public policy discourses by being members/signatories to several trade and industry associations. UBL has membership with All India Brewer’s Association (AIBA). AIBA acts as an additional interface for us to voice our opinions on relevant policy issues to governments, regulatory institutions and similar bodies including industry chambers.

Through the above association, we actively engage with regulatory authorities along with our Industry peers on issues and policies to both promote as well as protect the interest of our stakeholders and the industry at large. As a member of AIBA, we engage with policy makers with utmost responsibility in crafting public policies that aim towards common good of our stakeholders.

8. Inclusive Growth

UBL supports inclusive growth and equitable development. UBL engages with the community in which it operates to promote their overall wellbeing and help them with their livelihood.

The Company constantly works towards creating and implementing programmes aimed at development of community. We leverage our business activities to deliver on our commitment to sustainable development. Our initiatives include innovative projects that foster sustainable growth by providing primary education, primary health and water management.

Towards its endeavour of inclusive growth, the Company procures goods and services like transportation, packaging materials, housekeeping, contract labours and the like from communities located in the vicinity of the breweries of the Company.

UBL has continued its collaboration with various agricultural research institutes for development of high yielding varieties of barley suitable for Indian conditions. In continuation of its endeavour to empower the farmers, UBL has educated the farmers not only to enhance cultivation of barley but also to improve its availability for malting, arrest decline in barley growing areas and to make barley a profit yielding competitive crop.

9. Customer Value

UBL has given top priority to providing, high-quality, efficacious and affordable product to its customers/consumers. The very nature of our business enable us to place customer well-being at the core of our operations. Customer satisfaction is of prime importance to us to build long-term, mutually beneficial relationship with our customers. We are well connected with our customers/consumers. By understanding what they need, we are well equipped to develop our products that offer superior value to them.

Products manufactured and marketed by UBL have always been recognized for their international quality and have been bestowed with various awards for their quality year on year.

Kingfisher Beer has been chosen as one of the 100 Most Valuable Brands 2014, by World Consulting & Research Corporation (WCRC) – Asia’s No 1 Brand Rating & Ranking Company. Kingfisher Premium is ranked 14th in the list of Top Most Valuable Indian Brands and is the only beer brand that featured on the prestigious list. Kingfisher Premium has also been recognized as the ‘Most Differentiated Brand’ for setting trends and delighting our consumers.

The UBL SAP Project has been recognised at this year’s 9th Annual CIO 100 Awards Symposium, a prestigious event held annually to recognize the efforts of IT function in delivering exceptional business value through the use of information technology.

UBL displays product information on the label for the benefit of the customer and for creating awareness, over and above what is mandated by the local laws. This additional information is provided to enhance the value customers can derive from the product and to ensure safe and appropriate use.

Only scientifically verified information and claims are conveyed on the label. The additional information on the product labels relates to various active ingredients contained in the product, their proven clinical benefits, customer grievance redressal mechanism. An active consumer cell contact number, email address and physical correspondence address are also printed on the packaging for consumers to contact UBL in case of any clarifications, queries or complaints.



ANNEXURE - B: UNDER CLAUSE 55 OF THE LISTING AGREEMENT

Section A: General Information about the Company

1. **Corporate Identity Number (CIN)** : L36999KA1999PLC025195
2. **Name of the Company** : United Breweries Limited
3. **Registered Address** : "UB Tower", UB City,
24, Vittal Mallya Road,
Bengaluru – 560 001.
4. **Website** : www.unitedbreweries.com
5. **Email id** : ublinvestor@ubmail.com
6. **Financial Year reported** : April 1, 2014 – March 31, 2015
7. **Sector(s) that the Company is engaged in (industrial activity code-wise):**
United Breweries Limited (UBL/the Company) is engaged in manufacture and supply of beer governed by State Excise laws of respective State Governments which regulates manufacturing, bottling and supply of beer.
 - National Industrial Classification : Class – 1103
 - Indian Trade Classification : Code – 22030000
8. **Three key products / services that the Company manufactures / provides (as in balances sheet):**
UBL is engaged in manufacture and sale of beer including licensing of brands which constitutes a single business segment.
9. **Total number of locations where business activity is undertaken by the Company:**
 - i. **Number of International-Locations** : The Company has licensed its Brands for manufacture and supply of beer at 3 International locations.
 - ii. **Number of National Locations** : The Company operates through 21 owned breweries and 8 contract breweries. The business activities are also carried out from Registered cum Corporate Office at Bengaluru and from Regional Sales Offices located at various places in India.
10. **Markets served by the Company – Local / State / National / International:**
UBL's brands are available across India and also in about 52 countries worldwide.

Section B: Financial Details of the Company

1. **Paid up Capital (INR)** : 264.41 million
2. **Total Turnover (INR)** : 47,299 million
3. **Total profit after taxes (INR)** : 2,596 million
4. **Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):**
UBL's total spending on CSR activities for the financial year 2014-2015 is approximately Rs. 22.44 Million, which constitutes 0.86% of profit after tax (PAT).
5. **List of activities in which expenditure in 4 above has been incurred:**
The major areas in which the above expenditure has been incurred includes inter alia Primary Health, Primary Education, and Drinking Water Management.

Section C: Other Details

1. Does the Company have any Subsidiary Company / Companies?

The Company has one (1) subsidiary Company, viz. Maltex Malsters Limited.

2. Do the Subsidiary Company/Companies participate in the Business Responsibility Initiatives of the parent Company? If yes, then indicate the number of such subsidiary Company(s).

UBL encourages its subsidiary company i.e. Maltex Malsters Limited, to adopt its policies and practices and actively participates in the initiatives of the Company.

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the Business Responsibility initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

The suppliers, distributors or any other entity/entities do not participate in the Business Responsibility initiatives of the Company.

Section D: Business Responsibility Information

1. Details of Directors responsible for Business Responsibility:

a) Details of the Directors responsible for implementation of the Business Responsibility policy:

Name	DIN Number	Designation
Mr. Kalyan Ganguly *	00103034	Managing Director
Mr. Henricus Petrus van Zon	06485007	Director & CFO

b) Details of the Business Responsibility head:

Sl. No.	Particulars	Details
1.	DIN Number	00103034
2.	Name	Mr. Kalyan Ganguly *
3.	Designation	Managing Director
4.	Telephone Number	080-3985 5000
5.	E-mail ID	kganguly@ubmail.com

*Mr. Shekhar Ramamurthy replaces Mr. Kalyan Ganguly w.e.f. August 01, 2015. E-mail ID of Mr. Shekhar Ramamurthy is shr@ubmail.com.

2. Principle-wise (as per NVGs) Business Responsibility Policy / policies (Reply in Y/N):

The National Voluntary Guidelines (NVGs) on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs are as under:

P1	Business should conduct and govern themselves with Ethics, Transparency and Accountability.
P2	Business should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
P3	Businesses should promote the wellbeing of all employees.
P4	Businesses should respect the interest of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
P5	Business should respect and promote human rights.
P6	Business should respect, protect and make efforts to restore the environment.

Annexures contd.

P7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
P8	Businesses should support inclusive growth and equitable development.
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner.

UBL's Principle-wise response is as under:

Sl. No.	Questions	Business Ethics	Product Sustainability	Employees' Wellbeing	Stakeholders' Interest	Human Rights	Environment Protection	Policy Advocacy	Inclusive Growth	Customer Relations
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy / policies for...	Y	Y	Y	Y	Y	Y	Y	Y	Y
	The Company has framed policies which inter alia cover all the aspects of NVGs in one section or another.									
2.	Has the policy been formulated in consultation with the relevant Stakeholders?	The Policies have been formulated keeping in view the interest of all stakeholders though stakeholders have not been directly consulted.								
3.	Does the policy conform to any national/ international standards? If yes, specify?	The Policies conform to the spirit of national and international standards, where applicable. Certain Units of the Company are in conformance of international standards and have been accredited with various certifications like ISO 9001:2008 (Quality Management System); ISO 14001:2004 (Environmental Management System); ISO 22000:2005 (Food Safety Management System); OHSAS 18001:2007 (Occupational Health Safety Assessment System). The brands of the Company have been bestowed with various quality awards.								
4.	Has the policy been approved by the Board? If yes, has it been signed by MD/ Owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Does the Company have a specified committee of the Board/Director/Official to oversee the Implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
	Presently certain Executives and internal committees are entrusted to look after the respective responsibility area.									
6.	Indicate the link for the policy to be viewed online?	Policies covering certain stakeholders can be viewed on www.unitedbreweries.com . Other policies are restricted to be viewed by employees only on Company's intranet portal.								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Policies have been communicated to key internal stakeholders of the Company. It is an on going process whereby the stakeholders are informed about the Company's policies.								
8.	Does the Company have in-house structure to implement the policy / policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y

9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the Policy / policies?	Yes. The concerned Functional Heads review and redress grievances.
10.	Has the Company carried out Independent audit/evaluation of the working of this policy by an internal or external agency?	Policies are reviewed internally from time to time. Having regard to the effectiveness of the policies, the Company does not feel the requirement of audit/evaluation of the policies by any external agency for the time being.

2(a). If answer to Sl. No. 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

Sl. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The Company has not understood the Principles	Not Applicable.								
2.	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified Principles									
3.	The Company does not have financial or manpower resources available for the task									
4.	It is planned to be done within next six months									
5.	It is planned to be done within next one year									
6.	Any other reason (please specify)									

3. Governance related to Business Responsibility:

- **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the Business Responsibility performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.**

The Board of Directors of UBL assesses various initiatives forming part of the Business Responsibility performance of the Company twice a year. The Corporate Social Responsibility Committee (CSR Committee) oversees implementation of the projects/programmes/activities undertaken by the Company.

- **Does the Company publish a Business Responsibility or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

UBL publishes its Business Responsibility/CSR activities/performance in its quarterly in-house periodical viz., 'Beer Update' and also publishes its brief activities on CSR as a part of Report of the Directors in its Annual Report. An electronic version of this Report is uploaded in the official website of the Company i.e., 'www.unitedbreweries.com'. Internal periodicals are available on the Intranet portal.

Section E: Principle-wise Performance

Principle 1:

- Does the policy relating to ethics, bribery and corruption cover only the Company? Yes / No. Does it extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?**

Yes. The Company has a policy on the Code of Business Conduct and Ethics approved by the Board of Directors. The policy is applicable to all Board Members and covered employees of the Company and affirmation to the compliance of the Code/Policy is taken from them. The Code also provides for obligations of the employees with respect to non-disclosure of confidential information, accounting and payment practices, accurate financial disclosures, etc. The Code is available on the Company's website at viz., www.unitedbreweries.com.

The policy does not extend to other Stakeholders. However, our engagement checkpoints with our supplier consider adherence to ethical practices.

The Company also has a Whistle Blower Policy to promote responsible and secure whistleblowing at workplace. It aims to protect employees who raise any concern about any misconduct or potential violations of the code of conduct within the Company.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

The Company has in place mechanism for receiving and dealing with complaints from stakeholders and is responsive to any complaints received from stakeholders. Except for grievance from investors and consumers, no complaints have been received from any other stakeholders. 25 Investors' complaints were received and resolved satisfactorily. No other stakeholder complaints were received during the period under review. Details of consumer complaints are given in reply to Principle 9 of this report.

Principle 2:

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and / or opportunities.

Not Applicable.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

i. Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain.

Not Applicable

ii. Reduction during usage by consumers (energy, water) has been achieved since the previous year?

Not Applicable

3. Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably?

Yes. UBL believes in long-term engagement with its suppliers that commit to social responsibility and international standards and has appropriate procedures for long term sourcing of raw materials, packaging materials and transportation. The Company has procedures and policy in place for selecting vendors who supply in a sustainable manner. All inputs are sourced sustainably.

Supplier and transporter meets are held on a periodical basis where UBL's management engage and encourage them to undertake sustainable practices across supply chain.

4. Has the Company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve the capacity and capability of local and small vendors?

Towards its endeavour of inclusive growth, the Company procures goods and services like transportation, packaging materials, housekeeping, contract labours and the like from communities located in the vicinity of the breweries of the Company. Various steps have been taken for creating awareness and to ensure timely and regular supply of quality materials and services.

5. Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (Separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

Yes, measures for Waste Minimization are undertaken by UBL in all its Brewery Units. These measures are reviewed by the Factory Manager of the respective factory/manufacturing facility at a monthly interval and also by the Vice-President. Waste generated during the production operations is disposed/recycled in compliance with the

applicable environmental laws. Maximum efforts are made to reduce the quantum of waste-water generated due to cleaning operations in the factories. The trade effluent generated is treated in compliance with the applicable environmental laws and is recycled back into the production processes or discharged for landscaping/gardening/horticulture-development purposes.

The Company reuses glass bottles for bottling Beer. Also the spent grain generated out of process is used as cattle feed. Over 80% of the bottles are reused thereby protecting environment. Most of the Units of the Company operate on 'Zero Discharge' mechanism. The manufacturing Units of the Company comply with environment norms. "Spent Yeast" is dried and sold as poultry feed. We are constantly working towards adopting the best standards in environment.

Principle 3:
1. Please indicate the total number of employees:

The total number of permanent employees as on March 31, 2015 (excluding temporary/contractual/casual basis) is 2896.

2. Please indicate the total number of employees hired on temporary/contractual/casual basis:

The total number of employees hired on temporary/contractual/casual basis as on March 31, 2015 is 3974.

3. Please indicate the number of permanent women employees:

As on March 31, 2015, there were 64 permanent women employees.

4. Please indicate the number of permanent employees with disabilities:

There are no employees with permanent disabilities as on March 31, 2015.

5. Do you have an employee association that is recognized by Management?

There are various workers' union/association in the manufacturing units of the Company affiliated with various Trade Unions. The relations between the Management and workers' union/association are harmonious.

6. What percentage of your permanent employees is members of this recognised employee association?

Approximately 45% (total unionised permanent workmen / total permanent employees including workmen) of permanent employees are members of recognised employees' unions/associations.

7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending as on the end of the financial year.

Sl. No.	Category	No. of Complaints filed during the financial year	No. of complaints pending as on end of the financial year
1.	Child labour / forced labour / involuntary labour	NIL	NIL
2.	Sexual harassment	1	NIL
3.	Discriminatory employment	NIL	NIL

8. What percentage of your under mentioned employees were given safety and skill up-gradation training in the last year?

Sl. No.	Category	Safety	Skill Up gradation
1.	Permanent Employees	100%	30%
2.	Permanent Women Employees	100%	100%
3.	Casual / Temporary / Contractual Employees	100%	3%
4.	Employees with Disabilities	Not applicable	Not applicable

Principle 4:

1. Has the Company mapped its internal and external stakeholders?

Yes, UBL has mapped its stakeholders as a part of its stakeholder's engagement process. UBL engages identified stakeholders through a constructive consultation and structures selections process. Engagement mechanism whereby each stakeholder group provides timely feedback and response through formal and informal channels are in place.

2. Out of the above, has the Company identified the disadvantaged, vulnerable and marginalized stakeholders?

Yes, UBL has identified the disadvantaged, vulnerable and marginalized stakeholders.

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.

The Company's initiatives including generation of employment for differently-abled people in local communities at its various Unit locations, include CSR activities such as Primary Health and Welfare, Primary Education, Water Management. UBL conducts free health camps, blood donation camps, mobile dispensary etc. for benefit of the local communities.

Safety training programs which are conducted for employees and workmen are also extended to contractual employees.

Principle 5:

1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

It covers only the Company. UBL upholds human values in every interaction and complies with applicable laws in this regard. UBL treats all its stakeholders alike with respect and dignity. The Company has not received any complaints of human rights violations during the reporting period.

2. How many stakeholders' complaints have been received in the past financial year and what percent was satisfactorily resolved by the Management?

Other than those mentioned in reply to Principle 1 and Principle 9 of this Report, no complaints were received during the FY15.

Principle 6:

1. Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

The Environment, Health and Safety (EHS) Policy of the Company is focused on nurturing and safeguarding the environment for sustainable business. Employees and other stakeholder groups such as contractors, suppliers and customers are engaged for their shared responsibilities towards environment protection. The Company gives high importance to compliance of environment laws of the country.

2. Does the Company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc.? If yes, please give hyperlink for webpage etc.

As a part of its initiative towards carbon footprint reduction, UBL has been focusing continuously on alternate methods for reducing energy consumption and protecting environment. The Company has not taken any other initiative towards global warming etc. The Company uses recycled bottles for bottling of beer thereby protecting environment.

3. Does the Company identify and assess potential environmental risk?

Yes, the Company has a mechanism to identify and assess potential environmental risks.

4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?

The Company has commissioned a Green Power Project at its Brewery located at Nelemangala, Bengaluru for generating of electricity through spent grain. This is under Clean Development Mechanism (CDM) and the Company is looking forward to environmental benefits in the form of carbon credits through the implantation of this Green Power Project.

The Company has also introduced renewal energy technology of biomass boilers and has replaced oil fired boilers with briquette fired boilers. The Company is in the process of CDM declaration for carbon credit.

Under the Clean Development Management initiative, the Company has initiated project in collaboration with Thermax Ltd. for use of Bio-Mass Boilers in its four units. The Company has sought approval of the Ministry of Environment and Forests in this regard and has already received Ministry's approval in respect of two units.

5. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy etc? If yes, please give hyperlink to web page etc.

The Company has undertaken several initiatives on energy efficiency, renewable energy under the 'Project Chamak'. All breweries use agro-waste as fuel in boilers which is a renewable energy source. Details of measures taken for conservation of energy are mentioned in **Annexure-E** to the Director's Report forming part of the Annual Report. Research and Development in our field of Business has played a significant role in the growth of the business.

6. Are the Emission/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported:

Yes, the emissions/waste generated at the manufacturing units of UBL are within the permissible limits prescribed by Central Pollution Control Board/State Pollution Control Board (CPCB/SPCB) for the financial year being reported.

7. Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as of end of financial year.

There are no pending or unresolved show cause/legal notices received from CPCB/SPCB as of end of financial year.

Principle 7:

1. Is your Company a member of any trade and chambers or association? If yes, name only those major ones that your business deals with.

Yes. UBL is a member of All India Brewers' Association (AIBA) which voices concerns of the beer industry with the Government, media and other sectors of society.

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? If yes, specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Polices, Energy Security, Water, Food Security, Sustainable Business Principles, Others)

The Company has so far not taken any effective steps in this regard. However, The All India Brewers' Association (AIBA) plays an important role in representing the beer industry for various policy advocacy in consultation with the trade and industry chambers and other Government departments while framing guidelines, rules etc.

Principle 8:

1. Does the Company have specified programmes / initiatives / projects in pursuit of the policy related to Principle 8? If yes, details thereof.

The Corporate Social Responsibility (CSR) policy of UBL reflects its objectives of economic and social development. Detailed information on the specific CSR programmes and initiatives are provided in the main section of this Business Responsibility Report.

2. Are the programmes / projects undertaken through in-house team / own foundation / external NGO / government structures any other organization?

UBL implements CSR activities through its in-house team. Various manufacturing units of UBL roll out various CSR activities for welfare of the communities located in the vicinity of place of the brewery. Education, health and welfare and water management activities are the basic driving area of your Company's CSR focus.

3. Have you done any impact assessment of your initiative?

UBL has taken various steps to ensure that the CSR activities undertaken successfully adopted by the Company. Regular feedback are received from various stakeholders. The Company has also received awards and accolades from various national and international forums e.g. UNESCO-Water Digest Awards 2009, "Bhama Shah" Awards by the Government of Rajasthan 2013. Our unit at Palakkad won the first place under the "Medium Scale Category A" award from Kerala State Pollution Control Board for pollution control. UBL's Golconda brewery in Hyderabad was granted the "Green Manufacturing Excellence Awards 2014" under the category Challengers Award-Medium Business from "Frost & Sullivan's".

4. What is the Company's direct contribution to community development projects - Amount in INR and the details of the projects undertaken?

The Company's contribution towards community development projects i.e., Primary Health, Primary Education and Water Management during Financial Year 2014-15 was about Rs. 22.44 million. Details of CSR projects undertaken are disclosed in the website of the Company.

5. Have you taken steps to ensure that this community development initiative is successful adopted by the community?

Yes. UBL follows participatory approach in its initiatives. The relevant stakeholders in the local community are involved during fundamental assessment, project planning and implementation. The Company conducts base line studies and need based assessment surveys before initiating any development interventions. UBL's intent is to utilise human resources responsibly and engage with its stakeholders to understand their need and fulfil them to the extent possible.

Principle 9:

1. What percentages of customer complaints/consumer cases are pending as on the end of financial year?

During the Financial Year 2014-15, a total of 1143 customer complaints (including 1131 grievances received by Consumer Services Cell) was received, out of which 1141 (99.83%) complaints were resolved and 2 (0.17%) complaints are pending.

2. Does the Company display product information on the product label, over and above what is mandated as per local laws?

Yes. Additional information about the product is displayed on the labels, over and above what is mandated as per laws.

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as of end of financial year? If so, provide details thereof, in about 50 words or so.

There are no cases filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years.

4. Did your Company carry out any consumer survey / consumer satisfaction trends?

Yes, the marketing team of the Company organizes awareness events periodically to redress grievances and to assess consumer trend, choice and consumer satisfaction survey.

ANNEXURE - C: ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2014-15

Pursuant to Section 135 of the Companies Act, 2013 read with Clause (1) of Rule 8 of Companies (Corporate Social Responsibility) Rules, 2014.

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

The Board of Directors at its meeting held on 27th May, 2014 adopted the CSR Policy pursuant to the provisions of Section 135 of the Companies Act, 2013 read with Rule 5 of Companies (Corporate Social Responsibility Policy) Rules, 2014. In line with the guidelines given under Schedule VII of the Companies Act, 2013, the CSR committee has identified activities primarily in three major areas viz., Primary Health, Primary Education and Water Management around which your Company shall be focusing its CSR initiatives and channelizing the resources in a sustained manner.

The Corporate Social Responsibility (CSR) Policy is placed on the Company's website www.unitedbreweries.com and the CSR Projects/Programme undertaken by the Company can be accessed through the web-link www.unitedbreweries.com under the head Corporate Social Responsibility.

2. The composition of the CSR committee as on March 31, 2015 is as follows:

Dr. Vijay Mallya	- Chairman
Mr. Kalyan Ganguly *	- Managing Director
Mr. Henricus Petrus van Zon	- Director (Chief Financial Officer)
Ms. Kiran Mazumdar Shaw	- Director (Non-Executive, Independent Director)
Mr. Sunil Alagh	- Director (Non-Executive, Independent Director)
Mr. Madhav Bhatkuly	- Director (Non-Executive, Independent Director)

*Mr. Shekhar Ramamurthy replaces Mr. Kalyan Ganguly w.e.f. August 01, 2015.

Financial details

Rs. in Million

3.	Average net profit of the company for last three financial years	2726.00
4.	Prescribed CSR Expenditure (two percent of the above average net profit)	54.50
5.	Details of CSR spent during the financial year:	
	(a) Total amount to be spent for the financial year	54.50
	(b) Amount unspent, if any	32.06

(c) Manner in which the amount spent during the financial year is detailed below:

Rs. in Million

Sl. No.	CSR project or activity identified	Sector in which the Project is covered	Project or programs 1) Local area or other 2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub heads: 1) District expenditure on projects or programs 2) Overheads:	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency
1	Primary Education Vocational training to students, providing of uniforms, books, note books, stationary, Teachers' Salary, Computer Education, etc.	Promotion of education and vocation skills	1. Local Area in the vicinity of our Brewery locations. 2. State and Units: Andhra Pradesh (Srikakulam), Telangana (Malleshpur & Kothapuri), Goa (Ponda), Kerala (Cherthala & Palakkad), Karnataka (Mangalore, Nelamangala & Nanjangud), Odisha (Khurda), Tamil Nadu (Kuthambakkam & Arnavoyal), Punjab (Ludhiana), West Bengal (Kalyani), Rajasthan (Chopanki), Maharashtra (Taloja & Aurangabad (2) units) and Haryana (Dharuhera)	11.96	9.07	9.07	Direct
2	Water Management Maintaining quality of water and providing water tanks and drinking water	Ensuring environmental sustainability	1. Local Area in the vicinity of our Brewery locations. 2. State and Units: Andhra Pradesh (Srikakulam), Telangana (Malleshpur & Kothapuri), Goa (Ponda), Karnataka (Mangalore, Nelamangala & Nanjangud), Odisha (Khurda), Tamil Nadu (Kuthambakkam & Arnavoyal), Punjab (Ludhiana), Rajasthan (Chopanki) and Maharashtra (Taloja & Aurangabad (2) units)	4.31	5.71	14.78	Direct
3	Primary Health Free Medicine for poor people, Health Care activities, Health awareness camps and organising Blood Donation Camp etc.	Promoting preventive Health care and Sanitation	1. Local Area in the vicinity of our Brewery locations. 2. State and Units: Andhra Pradesh (Srikakulam), Telangana (Malleshpur & Kothapuri), Goa (Ponda), Kerala (Palakkad), Karnataka (Mangalore, Nelamangala & Nanjangud), Odisha (Khurda), Punjab (Ludhiana), West Bengal (Kalyani), Rajasthan (Chopanki), Maharashtra (Taloja & Aurangabad (2) units) and Haryana (Dharuhera)	6.52	5.09	19.87	Direct

Sl. No.	CSR project or activity identified	Sector in which the Project is covered	Project or programs 1) Local area or other 2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub heads: 1) District expenditure on projects or programs 2) Overheads:	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency
4	Others* a. Organised Relief Camp during Hudhud Cyclone	Eradicating hunger and poverty	Local Area in the vicinity of our breweries located at Goa (Ponda), Andhra Pradesh (Srikakulam), Maharashtra (Taloja & Aurangabad (2) units) Karnataka (Mangalore & Mysore), Haryana (Dharuhera), Punjab (Ludhiana), Kerala (Palakkad) and Telangana (Malleshpally)	—	0.38	20.25	Direct
	b. Women Empowerment	Promoting gender equality and empowering women	Local area in the vicinity of our brewery located at Goa	—	0.02	20.27	Direct
	c. Collector & District Magistrate, Medak District	Refer Note below	Medak District, Sangareddy	—	2.07	22.34	By Collector & District Magistrate, Medak District
	d. Indian Red Cross		Odisha, Indian Red Cross, Khurda	—	0.10	22.44	Indian Red Cross
	TOTAL			22.79	22.44	—	—

* Specific/unascertained and on request/demand.

Note: For utilization in social welfare activities like Healthcare, Education, Sanitation, Drinking Water Supply, Welfare of Weaker Sections, Woman Empowerment and Skill Development for making people employable.

6. Reason for not spending the prescribed amount on CSR activities is provided in the Directors' Report.

7. The implementation and monitoring of Corporate Social Responsibility (CSR) Policy, is in compliance with CSR objectives and policy of the company.

By Authority of the Board

July 22, 2015
New Delhi

Chairman (CSR Committee)/Managing Director/Director and CFO

ANNEXURE - D: FORM AOC-I

[Pursuant to first Proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014]
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(Amounts in Rs. Million)

1.	Name of the Subsidiary	Maltex Malsters Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Not applicable
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries	Not applicable
4.	Share capital	4.50
5.	Reserves & Surplus	38.99
6.	Total Assets	63.52
7.	Total Liabilities	63.52
8.	Investments	NIL
9.	Turnover	115.08
10.	Profit before taxation	112.60
11.	Provision for taxation	3.50
12.	Profit after taxation	7.76
13.	Proposed Dividend	1.80
14.	% of Shareholding	51%

1. Names of subsidiary which are yet to commence operations : Not Applicable.
 2. Names of subsidiary which have been liquidated or sold during the year : Not Applicable.

Part "B": Associates and Joint Ventures

(Amounts in Rs. Million)

Name of Associates/Joint Ventures		Kingfisher East Bengal Football Team Private Limited (Formerly, United East Bengal Football Team Private Limited)
1.	Latest Audited Balance Sheet Date	March 31, 2015
2.	Shares of Associate/Joint Ventures held by the company on the year end	Associate
	Number:	4,999 Equity Shares
	Amount of Investment in Associate/Joint Venture:	0.049
	Extend of Holding (%):	49.99%
3.	Description of how there is significant influence	By virtue of Investment in excess of 20% of voting rights.
4.	Reason why the Associate/Joint Venture is not consolidated	The Company's interest in the associate has not been included in the consolidated financial statements as the same has not been considered as material.
5.	Net worth attributable to Shareholding as per latest audited Balance Sheet	2.37
6.	Profit/Loss for the Year	
	i. Considered in Consolidation	NIL
	ii. Not Considered in Consolidation	2.80

1. Names of Associates or Joint Ventures which are yet to commence operations : Not Applicable.
 2. Names of Associates or Joint Ventures which have been liquidated or sold during the year : Not Applicable.

For and on behalf of the Board of Directors of
 United Breweries Limited

July 22, 2015
 New Delhi

Govind Iyengar
 Company Secretary

Kalyan Ganguly
 Managing Director

Henricus Petrus van Zon
 Director, CFO

**ANNEXURE - E: STATEMENT UNDER SECTION 134(3)(m) OF
THE COMPANIES ACT, 2013 READ WITH THE COMPANIES (ACCOUNTS) RULES, 2014**
(A) Conservation of energy
Electrical Energy:

- Vapour Absorption Machine has been commissioned at Chennai and Kothlapur Units. This would bring down the electricity consumption for refrigeration.
- Lighting energy savers installed at Rajasthan Unit.
- Continued focus on optimal work-in-process during off-season has reduced refrigeration load and consequently reduced energy consumption.

Fuel Consumption:

- Use of Bio Gas from Effluent Treatment Plant into boiler as fuel at Srikakulam and Kalyani Units.

Water Conservation:

- Recycling of effluent treated water with programmable logic control operated reverse osmosis plant installed at Ludhiana Unit to ensure water conservation.
- Rain water harvesting initiative is being undertaken at Nelamangala, Chopanki and Khurda Units in a phased manner to save water and enhance the ground water table.

Capital investment on Energy Conservation:

- During the FY 15 your Company spent Rs.20 Million on Energy Conservation equipment.

(B) Technology absorption

- Two stage wort cooling installed at Chopanki Unit.
- All Surface Empty Bottle Inspectors installed in Aurangabad, Pallakad and Chopanki Units.
- Membrane Bio Technology has been commissioned for Effluent Treatment at Ludhiana and Naubatpur Units.

Research & Development

- The company has continued its Research & Development program in the area of development of two row malting variety of Barley.

Expenditure on Research & Development

- During the FY 15 your Company spent Rs.5 Million on Research & Development.

(C) Foreign Exchange Earnings and Outgo

(Rupees in Million)

Foreign Exchange earned	46.70
Foreign Exchange used	1,680.80

ANNEXURE - F: FORM NO. MGT-9

Extract of Annual Return as on the Financial Year ended on 31st March 2015

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

- i) CIN : L36999KA1999PLC025195
- ii) Registration Date : May 13, 1999
- iii) Name of the Company : UNITED BREWERIES LIMITED
- iv) Category/Sub-Category of the Company : Manufacturing
- v) Address of the Registered office and contact details : UB Tower, UB City, #24 Vittal Mallya Road
Bengaluru - 560 001, KARNATAKA
Phone No.: 080-2227 2806 to 807, 3985 5000
Fax No.: 080-2221 1964 & 2222 9488
Email ID.: ublinvestor@ubmail.com
- vi) Whether listed company : Yes
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any : Integrated Enterprises (India) Limited,
#30, Ramana Residency, 4th Cross, Sampige Road,
Malleswaram, Bengaluru - 560 003, KARNATAKA.
Phone No.: 080-2346 0815 to 818
Fax No.: 080-2346 0819
Email ID.: bglsta@integratedindia.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:

Sl. No.	Name and Description of main products/services	NIC Code of the Product/Service		% to total turnover of the company
1.	Manufacture and Sale of Beer	Class-1103	Code-22030000	99.21%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1.	Maltex Malsters Limited Add: Maltex House, P.B. No. 45, Rauni, Patiala, Punjab-147 001.	U15137PB1968PLC002895	Subsidiary	51%	2(87) of the Companies Act, 2013
2.	Kingfisher East Bengal Football Team Private Limited Add: "Wallace House", 4, Bankshall Street, 1 st Floor, Kolkata-700 001.	U91990WB1998PTC086852	Associates	49.99%	2(6) of the Companies Act, 2013

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01.04.2014)			No. of Shares held at the end of the year (As on 31.03.2015)			% Change during the year
	Demat	Physical	Total No. of Shares	Demat	Physical	Total No. of Shares	
A. Promoters							
1. Indian							
(i) Individual/HUF	2,13,53,620	0	2,13,53,620	2,13,53,620	0	2,13,53,620	8.08
(ii) Central Govt.	0	0	0	0	0	0	0.00
(iii) State Govt.(s)	0	0	0	0	0	0	0.00
(iv) Bodies Corp.	7,35,83,310	0	7,35,83,310	7,33,33,310	0	7,33,33,310	27.74
(v) Banks/FIs	0	0	0	0	0	0	0.00
(vi) Any Other	0	0	0	0	0	0	0.00
Sub-Total (A)(1)	9,49,36,930	0	9,49,36,930	9,46,86,930	0	9,46,86,930	-0.09
2. Foreign							
(a) NRIs-Individuals	0	0	0	0	0	0	0.00
(b) Other-Individuals	0	0	0	0	0	0	0.00
(c) Bodies Corp.	10,28,97,740	0	10,28,97,740	10,31,47,740	0	10,31,47,740	39.01
(d) Banks/FIs	0	0	0	0	0	0	0.00
(e) Any Other	0	0	0	0	0	0	0.00
Sub-Total (A)(2)	10,28,97,740	0	10,28,97,740	10,31,47,740	0	10,31,47,740	39.01
Total Shareholding of Promoters (A)=(A)(1)+(A)(2)	19,78,34,670	0	19,78,34,670	19,78,34,670	0	19,78,34,670	74.82
							0.00

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01.04.2014)				No. of Shares held at the end of the year (As on 31.03.2015)				% Change during the year
	Demat	Physical	Total No. of Shares	% of Total Shares	Demat	Physical	Total No. of Shares	% of Total Shares	
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	5,74,467	6,790	5,81,257	0.22	42,23,556	6,790	42,30,346	1.60	1.38
b) Banks/Fls	31,348	3,960	35,308	0.01	31,189	3,960	35,149	0.01	0.00
c) Central Govt.	0	660	660	0.00	0	660	660	0.00	0.00
d) State Govt.(s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) Fls	5,02,69,067	0	5,02,69,067	19.01	4,81,43,854	0	4,81,43,854	18.21	-0.80
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others	7,78,750	0	7,78,750	0.29	0	0	0	0.00	-0.29
Qualified Foreign Investor									
Sub-Total (B)(1)	5,16,53,632	11,410	5,16,65,042	19.54	5,23,98,599	11,410	5,24,10,009	19.82	0.28
2. Non-Institutions									
a) Bodies Corp.									
i) Indians	36,76,479	23,216	36,99,695	1.40	36,15,836	21,360	36,37,196	1.38	-0.02
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1 Lakh	63,01,956	26,65,920	89,67,876	3.39	58,87,460	25,29,814	84,17,274	3.18	-0.21
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh	0	0	0	0.00	0	0	0	0.00	0.00
iii) Others									
Trust	2,55,461	0	2,55,461	0.10	2,55,461	0	2,55,461	0.10	0.00
NRI	2,83,007	1,99,526	4,82,533	0.18	2,86,694	1,90,851	4,77,545	0.18	0.00
Clearing Member	1,32,134	0	1,32,134	0.05	27,336	0	27,336	0.01	-0.04
Overseas Corporate Bodies	0	1,880	1,880	0.00	0	1,880	1,880	0.00	0.00
Unclaimed Suspense Account	13,65,858	0	13,65,858	0.52	13,43,778	0	13,43,778	0.51	-0.01
Sub-Total (B)(2)	1,20,14,895	28,90,542	1,49,05,437	5.64	1,14,16,565	27,43,905	1,41,60,470	5.36	-0.28
Total Public Shareholding (B)=(B)(1)+(B)(2)	6,36,68,527	29,01,952	6,65,70,479	25.18	6,38,15,164	27,55,315	6,65,70,479	25.18	0.00
Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
Sub Total (C)	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A+B+C)	26,15,03,197	29,01,952	26,44,05,149	100.00	26,16,49,834	27,55,315	26,44,05,149	100.00	0.00
C.									

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01.04.2014)			Shareholding at the end of the year (As on 31.03.2015)			% of Change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	Dr. Vijay Mallya	1,49,333	0.06	0.00	1,49,333	0.06	0.00	0.00
2	Dr. Vijay Mallya & Sidhartha V Mallya	1,04,64,288	3.96	100.00	1,04,64,288	3.96	100.00	0.00
3	Dr. Vijay Mallya & Ritu Mallya	2,53,333	0.10	0.00	2,53,333	0.10	0.00	0.00
4	Dr. Vijay Mallya	1,04,86,666	3.97	100.00	1,04,86,666	3.97	100	0.00
5	Kamsco Industries Private Limited	62,28,636	2.36	47.91	62,28,636	2.36	47.91	0.00
6	The Gem Investment & Trading Company Private Limited	43,15,132	1.63	0.00	43,15,132	1.63	0.00	0.00
7	Mallya Private Limited	97,86,666	3.70	0.00	97,86,666	3.70	0.00	0.00
8	McDowell Holdings Limited	1,07,07,344	4.05	93.73	1,04,57,344	3.96	84.02	-0.09
9	United Breweries (Holdings) Limited	3,02,95,911	11.46	53.72	3,02,95,911	11.46	29.03	0.00
10	Pharma Trading Company Private Limited	15,14,366	0.57	0.04	15,14,366	0.57	0.04	0.00
11	Vittal Investments Limited	3,75,955	0.14	0.00	3,75,955	0.14	0.00	0.00
12	Devi Investments Private Limited	18,59,300	0.70	0.00	18,59,300	0.70	0.00	0.00
13	United Spirits Limited	85,00,000	3.21	100.00	85,00,000	3.21	100.00	0.00
14	Scottish & Newcastle India Private Limited	8,99,94,960	34.04	0.00	8,99,94,960	34.04	0.00	0.00
15	Heineken UK Limited	84,89,270	3.21	0.00	84,89,270	3.21	0.00	0.00
16	Heineken International B.V.	39,85,770	1.51	0.00	42,35,770	1.60	0.00	0.09
17	UB Overseas Limited	4,27,740	0.16	0.00	4,27,740	0.16	0.00	0.00
	Total	19,78,34,670	74.82	29.69	19,78,34,670	74.82	25.28	0.00

Annexures contd.

(iii) Change in Promoters' Shareholding

Sl. No.	Name	Shareholding at the beginning of the year		Date of change	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	McDowell Holdings Limited	1,07,07,344	4.05	21.08.2014	-2,50,000	Invocation of Pledge	1,04,57,344	3.96
2	Heineken International B.V.	39,85,770	1.51	21.08.2014	2,50,000	Market Purchase	42,35,770	1.60
	Total	1,46,93,114			—		1,46,93,114	

Note: Shareholding and Cumulative Shareholding of all other promoters remains unchanged during the year.

(iv) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

Sl. No.	Name of the Shareholders	Shareholding at the beginning of the year		% of total shares of the Company	Date of Change	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year	% of total shares of the Company
		No. of Shares	No. of Shares						
1	ARISAIG PARTNERS (ASIA) PTE LTD. A/C ARISAIG INDIA FUND LIMITED	87,71,011	3.32	01.04.2014	0.00	No movement during the year		87,71,011	3.32
				31.03.2015				87,71,011	3.32
2	NEW WORLD FUND INC.	51,31,864	1.94	01.04.2014					
				04.04.2015	-1,32,277	Transfer	49,99,587	1.89	
				18.04.2014	-17,277	Transfer	49,82,310	1.88	
				16.05.2014	-1,36,952	Transfer	48,45,358	1.83	
				23.05.2014	-2,16,586	Transfer	46,28,772	1.75	
				13.06.2014	-63,814	Transfer	45,64,958	1.73	
				08.08.2014	-2,19,491	Transfer	43,45,467	1.64	
				22.08.2014	-90,818	Transfer	42,54,649	1.61	
				29.08.2014	-38,400	Transfer	42,16,249	1.59	
				21.11.2014	-8,74,000	Transfer	33,42,249	1.26	
	05.12.2014	-7,00,790	Transfer	26,41,459	1.00				
	31.03.2015			26,41,459	1.00				
3	ACACIA PARTNERS, LP	37,80,000	1.43	01.04.2014					
				30.01.2015	-4,57,000	Transfer	33,23,000	1.26	
				06.03.2015	-3,05,000	Transfer	30,18,000	1.14	
				13.03.2015	-1,28,000	Transfer	28,90,000	1.09	
				20.03.2015	-50,000	Transfer	28,40,000	1.07	
	31.03.2015						28,40,000	1.07	

Sl. No.	Name of the Shareholders	Shareholding at the beginning of the year		% of total shares of the Company	Date of Change	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year		% of total shares of the Company
		No. of Shares						No. of Shares		
4	DERIVE TRADING P. LTD.	32,52,378		1.23	01.04.2014					
					30.05.2014	-1,25,000	Transfer		31,27,378	
					06.06.2014	14,800	Transfer		31,42,178	1.19
					14.08.2014	28,000	Transfer		31,70,178	1.20
					05.09.2014	10,800	Transfer		31,80,978	1.20
					30.09.2014	71,400	Transfer		32,52,378	1.23
					10.10.2014	-69,900	Transfer		31,82,478	1.20
					31.10.2014	-1,500	Transfer		31,80,978	1.20
					07.11.2014	699	Transfer		31,81,677	1.20
					05.12.2014	1,000	Transfer		31,82,677	1.20
					12.12.2014	-324	Transfer		31,82,353	1.20
					31.12.2014	69,201	Transfer		32,51,554	1.23
					02.01.2015	-68,377	Transfer		31,83,177	1.20
5	TREE LINE ASIA MASTER FUND (SINGAPORE) PTE. LTD.	27,65,000		1.05	31.03.2015		No movement during the year		31,83,177	1.20
					01.04.2014	0.00		0.00	0.00	
6	MERRILL LYNCH CAPITAL MARKETS ESPANA S.A. S.V.	22,55,773		0.85	31.03.2015				27,65,000	0.00
					01.04.2014					
					09.05.2014	316	Transfer		22,56,089	0.85
					16.05.2014	1,745	Transfer		22,57,834	0.85
					23.05.2014	1,750	Transfer		22,59,584	0.85
					30.05.2014	1,226	Transfer		22,60,810	0.86
					06.06.2014	335	Transfer		22,61,145	0.86
					04.07.2014	-9,117	Transfer		22,52,028	0.85
					18.07.2014	-12,964	Transfer		22,39,064	0.85
					25.07.2014	-1,900	Transfer		22,37,164	0.85
					08.08.2014	-681	Transfer		22,36,483	0.85
					22.08.2014	29	Transfer		22,36,512	0.85
					05.09.2014	-7,253	Transfer		22,29,259	0.84
					17.10.2014	-10,869	Transfer		22,18,390	0.84
					24.10.2014	-419	Transfer		22,17,971	0.84
					31.10.2014	1,792	Transfer		22,19,763	0.84
					07.11.2014	2,909	Transfer		22,22,672	0.84
					14.11.2014	-2,391	Transfer		22,20,281	0.84
					28.11.2014	4,236	Transfer		22,24,517	0.84
					05.12.2014	313	Transfer		22,24,830	0.84

Sl. No.	Name of the Shareholders	Shareholding at the beginning of the year No. of Shares	% of total shares of the Company	Date of Change	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year No. of Shares	% of total shares of the Company
	MERRILL LYNCH CAPITAL MARKETS ESPANA S.A. S.V. (contd.)			19.12.2014	-250	Transfer	22,24,580	0.84
				31.12.2014	-9,250	Transfer	22,15,330	0.84
				09.01.2015	97	Transfer	22,15,427	0.84
				30.01.2015	21,094	Transfer	22,36,521	0.85
				06.02.2015	27,500	Transfer	22,64,021	0.86
				27.02.2015	-42,500	Transfer	22,21,521	0.84
				13.03.2015	-874	Transfer	22,20,647	0.84
				27.03.2015	736	Transfer	22,21,383	0.84
				31.03.2015	500	Transfer	22,21,883	0.84
				31.03.2015			22,21,883	0.84
7	ACACIA INSTITUTIONAL PARTNERS, LP	21,98,500	0.83	01.04.2014	0.00	No movement during the year		
				31.03.2015			21,98,500	0.83
8	ACACIA CONSERVATION FUND LP	18,97,500	0.72	01.04.2015				
				06.03.2015	-1,52,000	Transfer	17,45,500	0.66
				13.03.2015	-1,45,500	Transfer	16,00,000	0.61
				31.03.2015			16,00,000	0.61
9	COLUMBIA ACORN INTERNATIONAL	16,55,000	0.63	01.04.2014				
				13.06.2014	4,30,000	Transfer	20,85,000	0.79
				30.01.2015	-98,641	Transfer	19,86,359	0.75
				06.02.2015	-1,27,255	Transfer	18,59,104	0.70
				13.02.2015	-9,104	Transfer	18,50,000	0.70
				31.03.2015			18,50,000	0.70
10	ABHU DHABI INVESTMENT AUTHORITY - PEACOCK	18,49,116	0.70	01.04.2014				
				20.06.2014	-53,121	Transfer	17,95,995	0.68
				30.06.2014	-29,153	Transfer	17,66,842	0.67
				04.07.2014	5,619	Transfer	17,72,461	0.67
				11.07.2014	55,169	Transfer	18,27,630	0.69
				01.08.2014	-6,883	Transfer	18,20,747	0.69
				19.09.2014	13,398	Transfer	18,34,145	0.69
				14.11.2014	-18,34,145	Transfer	—	0.00
				21.11.2014	17,74,724	Transfer	17,74,724	0.67
				28.11.2014	27,029	Transfer	18,01,753	0.68
				19.12.2014	7,464	Transfer	18,09,217	0.68
				06.03.2015	-9,536	Transfer	17,99,681	0.68
				31.03.2015			17,99,681	0.68

(v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	Name	Shareholding at the beginning of the year		Date of Change	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	Dr. Vijay Mallaya Non-Executive Chairman	2,13,53,620	8.08	01.04.2014 31.03.2015	0.00 0.00	No movement during the year	2,13,53,620	8.08
2	Mr. Kalyan Ganguly Managing Director	14,690	0.01	01.04.2014 31.03.2015	0.00 0.00	No movement during the year	14,690	0.01
3	Mr. Henricus Petrus van Zon	—	—	01.04.2014 31.03.2015	0.00 0.00	No Shares held in the Company	—	—
4	Mr. Govind Iyengar	—	—	01.04.2014 31.03.2015	0.00 0.00	No Shares held in the Company	—	—

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

Rs. In Lakhs

	Secured Loans excluding deposit	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (01.04.2014)				
i) Principal Amount	97,823	25,387	0	1,23,210
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued due but not due	799	0	0	799
Total (i+ii+iii)	98,622	25,387	0	1,24,009
Change in Indebtedness during the financial year				
Addition	0	0	0	0
Reduction	-33,324	-6,227	0	-39,551
Exchange Difference	0	0	0	0
Net Change	-33,324	-6,227	0	-39,551
Indebtedness at the end of the financial year (31.03.2015)				
i) Principal Amount	64,472	19,160	0	83,632
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued due but not paid	826	0	0	826
Total (i+ii+iii)	65,298.00	19,160	0	84,458

Annexures contd.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Rs. In Lakhs

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount
		Kalyan Ganguly (Managing Director)	Henricus Petrus van Zon (Chief Financial Officer)		
1	Gross salary				
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	665.20	645.90		1311.10
	b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	84.82	56.91		141.73
	c) Profits in lieu of salary u/s 17(3) of the Income-tax Act, 1961	110.41	55.61		166.02
2	Stock Option	N.A.	N.A.		N.A.
3	Sweat Equity	N.A.	N.A.		N.A.
4	Commission				
	- as % of profit	N.A.	N.A.		N.A.
	- Others	—	—		—
5	Others	—	—		—
6	Total (A)	860.43	758.42		1,618.85
Ceiling as per the Act		Rs. 3,862 Lakhs (being 10% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)			

B. Remuneration to other directors:

Rs. In Lakhs

Sl. No.	Particulars of Remuneration	Name of the Directors										Total Amount
		Dr. Vijay Mallya	A K Ravi Nedungadi	Duco Reinout Hooff Graafland	Roland Pirmez	Chugh Yoginder Pal	Sunil Kumar Alagh	Chhaganlal Jain	Kiran Mazumdar Shaw	Madhav Bhatkuly	Stephan Gerlich	
1	Independent Directors											
	Fee for attending board committee meetings	—	—	—	—	5.55	5.60	5.65	2.50	1.05	0.80	21.15
	Commission	—	—	—	—	25.49	25.49	25.49	25.49	25.49	25.49	152.96
	Others	—	—	—	—	—	—	—	—	—	—	—
	Total (1)	—	—	—	—	31.04	31.09	31.14	27.99	26.54	26.29	174.11
2	Other Non-Executive Directors											
	Fee for attending board committee meetings	2.75	3.75	1.40	0.80	—	—	—	—	—	—	8.70
	Commission	229.44	—	—	—	—	—	—	—	—	—	229.44
	Others	—	—	—	—	—	—	—	—	—	—	—
	Total (2)	232.19	3.75	1.40	0.80	—	—	—	—	—	—	238.14
	Total (B) = (1+2)	232.19	3.75	1.40	0.80	31.04	31.09	31.14	27.99	26.54	26.29	412.25
	Total Managerial Remuneration*											2,031.10
	Overall Ceiling as per the Act	Rs. 382 Lakhs (being 1% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)										

* Total remuneration to Managing Director, Whole-time Directors and other Directors (being the total of A and B)

C. Remuneration to Key Managerial Personnel Other than MD/MANAGER/WTD:

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount (Rs. in Lakhs)
		Senior Vice President - Legal & Company Secretary	Shri Govind Iyengar	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	83.09		83.09
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	23.20		23.20
	(c) Profits in lieu of salary u/s 17(3) of the Income-tax Act, 1961	12.20		12.20
2	Stock Option	N.A.		N.A.
3	Sweat Equity	N.A.		N.A.
4	Commission			
	- as % of profit	N.A.		N.A.
	- Others	—		—
5	Others	—		—
6	Total (A)	118.49		118.49

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment / Compounding fees imposed	Authority (RD/NCLT COURT)	Appeal made, if any (give details)
A. Company					
Penalty			----- NIL -----		
Punishment					
Compounding					
B. Directors					
Penalty			----- NIL -----		
Punishment					
Compounding					
C. Other Officers in Default					
Penalty			----- NIL -----		
Punishment					
Compounding					

July 22, 2015
New Delhi

By Authority of the Board

Kalyan Ganguly
Managing Director

Henricus Petrus van Zon
Director, CFO

Annexures contd.

ANNEXURE - G: FORM NO. MR-3

SECRETARIAL AUDIT REPORT

For the Financial Year ended 31st March 2015

[Pursuant to section 204 (1) of the Companies Act, 2013 and rule 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members, UNITED BREWERIES LIMITED

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by United Breweries Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representative during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on March 31, 2015, complied with the statutory provisions listed hereunder and also that the company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by United Breweries Limited ("the Company") for the financial year ended on March 31, 2015 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-Laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI'):
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- vi. Various State Excise Laws relating to the brewing industry;
- vii. Legal Metrology Act, 2009 & Legal Metrology (Packaged Commodities) Rules, 2011;
- viii. Prevention of Food Adulteration Act, 1954;
- ix. The Environment (Protection) Act, 1986 and Rules thereunder;

- x. The Water (Prevention & Control of Pollution) Act, 1974;
- xi. The Air (Prevention & Control of Pollution) Act, 1981;
- xii. The Factories Act, 1948 and Rules thereunder;
- xiii. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
- xiv. All other Labour, Employee and Industrial Laws to the extent applicable to the Company; and
- xv. Reserve Bank of India Guidelines for issue of Commercial Papers.

I have also examined compliance with the applicable clauses of the Listing Agreements entered into by the Company with Bombay Stock Exchange Limited and National Stock Exchange of India Limited;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc., as mentioned above wherever applicable subject to the following observations:

- 1) The Company was not required to comply with the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI') as there were no instances during the period under review for the Company to comply with:
 - (a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (b) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- 2) The Company has filed all the forms and returns as required under the Companies Act, 2013 and is generally regular in filing the forms and returns within the prescribed time.
- 3) The Company has covered whistle blowing briefly in the Code of Conduct adopted by it. A separate vigil mechanism has been adopted subsequent to the close of Financial Year 2014-2015.

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with provisions of the Act.

Adequate notice is given to all Directors to schedule the Board meetings, agenda and detailed note on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

The decisions carried through are recorded in the minutes. I did not find any dissenting views recorded in the minutes. It was informed to me that, in absence of any such dissenting views it was not required to record any such views in the minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

The Company has requisite systems and processes to monitor and ensure compliance with labour and employee related laws, environmental laws as applicable to the Company and the Company is generally regular in making statutory payments and filing of periodical returns and forms with the prescribed authorities.

Annexures contd.

I further report that during the audit period the Company has following specific actions having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above:

1. The Shareholders of the Company, at their annual general meeting held on September 04, 2014 have approved the powers to the board of directors to borrow and create the mortgage/charge on the assets of the Company up-to Rs. 2,500 crores pursuant to Section 180 of the Companies Act, 2013.
2. The Company has acquired land and other assets including permissions, excise and other licenses of 'Pacific Spirits Private Limited'.
3. The Company has issued on 2nd March 2015 and 3rd March 2015, Commercial Papers of value of Rs. 50 crores and Rs. 100 crores respectively as per the guidelines issued by Reserve Bank of India in this respect.
4. The Company has redeemed 74,07,000 Series-B Cumulative Redeemable Preference Shares of Rs. 100/- each fully paid aggregating to Rupees 74.07 crores.

Place: Bengaluru

Dated: May 28, 2015

SUDHIR V HULYALKAR

Company Secretary in Practice

FCS No. 6040

C P No. 6137



UNITED BREWERIES LIMITED

ANNEXURE - H: ADDITIONAL INFORMATION ON CORPORATE GOVERNANCE REPORT

Own Manufacturing Network

ANDHRA PRADESH – SRIKAKULAM	TAMIL NADU – KUTHAMBAKKAM & ARANVOYAL
TELANGANA – MALLEPALLY & KOTHLAPUR	PUNJAB – LUDHIANA
GOA – PONDA	WEST BENGAL – KALYANI
KERALA - CHERTHALA & PALAKKAD	RAJASTHAN – CHOPANKI & SHAHJAHANPUR
KARNATAKA - MANGALORE, NERMANGALA & MYSORE	MAHARASHTRA - TALOJA & AURANGABAD (2) UNITS
ODISHA – KHURDA	BIHAR - NAUBATPUR
HARYANA – DHARUHERA	

Contract Manufacturing Network

UTTAR PRADESH – ALIGARH	RAJASTHAN – ALWAR
DAMAN AND DIU – DAMAN	ASSAM – GAUHATI
MADHYA PRADESH – INDORE	SIKKIM - RANGPO
JAMMU AND KASHMIR – SAMBA	MEGHALAYA - SHILLONG

REGISTERED OFFICE:

“UB TOWER”, UB CITY, 24, VITTAL MALLA ROAD, BENGALURU – 560 001.
Phone: (91-80) 39855000, 22272806 & 22272807
Fax No. (91-80) 22211964, 22229488
Email: ublinvestor@ubmail.com, Website: www.unitedbreweries.com
CIN: L36999KA1999PLC025195, Cable: UBEEGEE

Non Mandatory Requirements

a) Chairman of the Board:

The Chairman of the Board is entitled to maintain a Chairman’s office at the Company’s expense and allowed reimbursement of expenses incurred in performance of his duties.

b) Shareholder Rights:

The Company’s half yearly results are published in English and Kannada Newspapers having wide circulation and are also displayed on the Company’s website. Press releases are also issued which are carried by a few newspapers and also displayed on the Company’s website. Hence, same are not sent to the shareholders.

c) Audit Qualifications:

There are no qualifications or adverse remarks in Auditor’s Report which require any clarification or explanation.

d) Separate posts of Chairman and CEO:

The position of Chairman and Managing Director are held by separate persons.

e) Reporting of Internal Auditor:

The Internal Auditor makes presentation of Internal Audit Report before the Audit Committee on a quarterly basis.

Compliance with Code of Business Conduct and Ethics

In accordance with Clause 49 sub-clause (II) (E) (ii) of the Listing Agreement, it is hereby confirmed that during the year 2014-2015, all the members of the Board of Directors and Senior Managerial personnel have affirmed their Compliance with the Company's Code of Business Conduct and Ethics.

Place: New Delhi
Date: July 22, 2015

Kalyan Ganguly
Managing Director

Compliance Certificate

To the Members of
UNITED BREWERIES LIMITED

Certificate of Compliance with the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement

We have examined the compliance of conditions of Corporate Governance by United Breweries Limited for the year ended on March 31, 2015, as stipulated in Clause 49 of the Listing Agreement of the said company with Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that in respect of investor grievance received during the year ended on March 31, 2015, no grievances are pending against the company as per records maintained by the company and presented to the Shareholders' / Investors' Grievance Committee.

We further state that such compliance is neither an assurance as to future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

Bengaluru, July 22, 2015

Mangala Rohith
Company Secretary (In practice)
ACS 20315 CP 7438



CHAMPION THE MATCH


Heineken
open your world



COOL STYLISH ULTRA

TOUCH IT

FEEL IT

TASTE IT



THE EMPEROR OF GOOD TIMES

BOARD OF DIRECTORS
(As on March 31, 2015)



5 9 8 1 7 11 6 12
10 4 3 2

1. **Dr. Vijay Mallya**, Chairman
2. **Kalyan Ganguly**, Managing Director (replaced by Mr. Shekhar Ramamurthy effective August 01, 2015)
3. **A K Ravi Nedungadi**, Director
4. **Henricus Petrus van Zon**, Director & CFO
5. **Rene Hooft Graafland**, Director (replaced by Mr. Sijbe Hiemstra effective July 23, 2015)
6. **Roland Pirmez**, Director (replaced by Mr. Frans Erik Eusman effective August 01, 2015)
7. **Chugh Yoginder Pal**, Director
8. **Chhaganlal Jain**, Director
9. **Sunil Kumar Alagh**, Director
10. **Kiran Mazumdar Shaw**, Director
11. **Madhav Bhatkuly**, Director
12. **Stephan Gerlich**, Director

THE MANAGEMENT TEAM
(As on March 31, 2015)



10 6 4 7 1 2 5 3 9 8 11

1. **Kalyan Ganguly**
Managing Director
2. **Shekhar Ramamurthy**
Joint President
3. **Henricus Petrus van Zon**
Director & CFO
4. **Cedric Vaz**
Executive Vice President - Manufacturing
5. **Manmohan S Kalsy**
Executive Vice President - HR
6. **Kiran Kumar**
Executive Vice President - Sales
7. **Samar Singh Sheikhwat**
Senior Vice President - Marketing
8. **Perry Goes**
Senior Vice President - Strategic Planning & Business Analysis
9. **Govind Iyengar**
Senior Vice President - Legal & Company Secretary
10. **Rohtash Kumar Jindal**
Senior Vice President - Operations & Malting
11. **Radhakrishnan Santosh Kumar**
Senior Vice President - Procurement & Logistics

Note: Mr. Shekhar Ramamurthy replaces Mr. Kalyan Ganguly as Managing Director, effective August 01, 2015.



UNITED BREWERIES LIMITED

Registered Office: UB Tower, UB City, 24 Vittal Mallya Road, Bengaluru – 560 001, India.

Phone: 080-39855000, 22272806/07, Fax: 080-22211964, 22229488

CIN: L36999KA1999PLC025195, Email: ublinvestor@ubmail.com,

Website: www.unitedbreweries.com