

UNITED SPIRITS LIMITED

Registered Office: 'UB Tower', #24, Vittal Mallya Road, Bangalore 560 001

PROCEEDINGS OF THE FOURTEENTH ANNUAL GENERAL MEETING OF THE MEMBERS OF THE COMPANY HELD ON TUESDAY, SEPTEMBER 24, 2013 AT 11.00 A.M. AT GOOD SHEPHERD AUDITORIUM, OPP. ST. JOSEPH'S PRE-UNIVERSITY COLLEGE, RESIDENCY ROAD, BANGALORE – 560 025.

Present:	
DR.VIJAY MALLYA	Chairman & Member
MR.G.N.BAJPAI	Director
MR.ARUNKUMAR RAMANLAL GANDHI	Director
MR.SUDHAKAR RAO	Director
MR.D.SIVANANDHAN	Director
MR.VIKRAM SINGH MEHTA	Director
MR.GILBERT GHOSTINE	Director
MR.RAVI RAJAGOPAL	Director
MR.ASHOK CAPOOR	Managing Director
Mr.P.A.MURALI	Executive Director
UNITED BREWERIES (HOLDINGS) LIMITED	By their authorised representative Dr.Vijay Mallya
KINGFISHER FINVEST INDIA LIMITED	By their authorised representative Dr.Vijay Mallya
MALLYA PRIVATE LIMITED	By their authorised representative Dr.Vijay Mallya
USL BENEFIT TRUST	By their authorised representative Dr.Vijay Mallya
ROSSI & ASSOCIATES PRIVATE LIMITED	By their authorised representative Dr. Vijay Mallya
DEVI INVESTMENTS PRIVATE LIMITED	By their authorized representative Dr. Vijay Mallya
VITTAL INVESTMENTS PRIVATE LIMITED	By their authorised representative Dr. Vijay Mallya
RELAY B.V.	By their authorised representative Mr. Devraj Dass
AND	
186	MEMBERS PRESENT IN PERSON AND
295	MEMBERS THROUGH PROXY

In terms of Article 93 of the Articles of Association of the Company, Dr.Vijay Mallya, Chairman, took the Chair and as the requisite quorum was present, called the Meeting to Order.

The Registers as per Statutory Requirements were laid open at the Meeting.

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

At the request of the Chairman, the Company Secretary read out the Auditors' Report to the Members.

The Chairman welcomed the Members and addressed the gathering.

The Chairman then took up the items on the Agenda as per the Notice of the Meeting, *ad seriatim*.

Item No.1 - Accounts & Reports as at March 31, 2013:

The Chairman informed the Members that the Annual Report containing the Audited Accounts for the financial year ended March 31, 2013, together with the Auditors' Report and Directors' Report thereon, had already been circulated to the Members by post / e-mail to their registered addresses / e-mail IDs.

It was moved from the Chair as an **Ordinary Resolution**, that the audited Statement of Profit & Loss of the Company for the financial year ended March 31, 2013 and the Balance Sheet as on that date, together with the Notes attached thereto, and the Directors' Report and Auditors' Report thereon, be adopted.

Before putting the resolution to vote by the Members present, the Chairman invited comments from Members on the Accounts and responded to the various issues raised by the following Members:

1. Ms. Nirmala Lingappaji
2. Mr. Desmond Dcosta Prabhu
3. Mr. Kaushik Dhanuka

The Chairman then put the resolution to vote and it was declared:

Carried Unanimously

Item No.2 – Dividend on Equity Shares:

The Chairman referred to the recommendation of the Board of Directors for payment of dividend of Rs.2.50 per equity share of Rs.10/- each for the financial year ended March 31, 2013:

The following resolution was proposed as an **Ordinary Resolution** by:

Mr. S.Saravanan and seconded by Mr.D.R.Prakash

"RESOLVED that the dividend on the equity shares of the Company for the financial year ended March 31, 2013, at the rate of Rs.2.50 per share, as recommended by the Directors, be and is hereby declared to be paid to the holders of the equity shares whose names appear in the Register of Members as on September 24, 2013 in respect of equity shares held in physical form and as at the close of business hours on September 17, 2013 in respect of equity shares held in electronic form".

The Chairman then put the Resolution to vote and it was declared:

Carried Unanimously

Dr. Vijay Mallya, Chairman requested Mr. G.N. Bajpai, Director, to take the Chair pertaining to his appointment as a Director and continue the meeting for the consideration of the said item. Mr. G.N. Bajpai then took the Chair and continued the proceedings.

Item No.3 - Appointment of Dr. Vijay Mallya as a Director:

The following resolution was proposed as an **Ordinary Resolution** by

Mr.D.R.Prakash and seconded by Ms.Nirmala Lingappaji

"RESOLVED that **Dr.Vijay Mallya**, who retires from the Board by rotation, be and is hereby elected a Director of the Company."

The Chairman then put the Resolution to vote and it was declared:

Carried Unanimously

Mr. G.N.Bajpai thanked the Members and requested Dr. Vijay Mallya to resume the Chair. Dr. Vijay Mallya thanked Mr. Bajpai and resumed the Chair for the continuation of the Meeting.

Item No.4 - Appointment of Auditors:

The following resolution was proposed as an **Ordinary Resolution** by Mr. B.L. Venkatachalapathy and seconded by Mr.Sivakumar. K.V.

"RESOLVED that M/s B S R & Co., Chartered Accountants (Firm Registration No.101248W) be and are hereby appointed Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting on a remuneration to be fixed by the Board of Directors of the Company, in place of the retiring auditors, M/s Walker, Chandiok & Co., Chartered Accountants, who are not seeking re-appointment".

The Chairman then put the Resolution to vote and it was declared:

Carried Unanimously

Item No.5 – Appointment of Mr.Gilbert Ghostine as a Director:

The following resolution was proposed as an **Ordinary Resolution** by Ms.Nirmala Lingappaji and seconded by Mr. S. Rajashekar Aradhya.

"RESOLVED that Mr. Gilbert Ghostine, who was appointed as an Additional Director of the Company on May 27, 2013, and whose period of office expires on the date of this Annual General Meeting, be and is hereby appointed as a Director of the Company liable for retirement by rotation".

The Chairman then put the Resolution to vote and it was declared:

Carried Unanimously

Item No.6 – Appointment of Mr.Ravi Rajagopal as a Director:

The following resolution was proposed as an **Ordinary Resolution** by Mr. S.Saravanan and seconded by Mr.Desmond Dcosta Prabhu.

"RESOLVED that Mr.Ravi Rajagopal, who was appointed as an Additional Director of the Company on July 4, 2013 and whose period of office expires on

the date of this Annual General Meeting, be and is hereby appointed as a Director of the Company liable for retirement by rotation”.

The Chairman then put the Resolution to vote and it was declared:

Carried Unanimously

Item No.7 – Appointment of Mr.P.A.Murali as a Director:

The following resolution was proposed as an **Ordinary Resolution** by

Mr. Sushil Somnarain Haksar and seconded by Mr.D.R.Prakash

“RESOLVED that Mr.P.A.Murali, who was appointed as an Additional Director by the Board of Directors of the Company on July 4, 2013 and whose period of office expires on the date of this Annual General Meeting, be and is hereby appointed as a Director of the Company, not subject to retirement by rotation so long as he holds the office of the Executive Director”.

The Chairman then put the Resolution to vote and it was declared:

Carried Unanimously

Item No.8 - Appointment of Mr.P.A.Murali as Executive Director:

The following resolution was proposed as a **Special Resolution** by

Mr. S.Saravanan and seconded by Mr. B.L.Venkatachalapthy.

“RESOLVED that subject to the provisions of Section 269, read with Schedule XIII and other applicable provisions of the Companies Act, 1956, or any statutory modification or re-enactment thereof, Mr.P.A.Murali be and is hereby appointed as Executive Director of the Company with effect from July 4, 2013 for a period of 5 (five) years, on the following terms and conditions:

1. Salary

Basic Salary of Rs 10,78,200/- per month, in the salary range of Rs 8,00,000/- to Rs 14,00,000/- per month, with such increments as may be decided by the Board of Directors of the Company from time to time, and with proportionate increase in all benefits related to the quantum of salary.

2. **Special Allowance** Special Allowance at the rate of 50% of the Basic Salary per month. This will be taken into account for calculation of Provident Fund, Gratuity, Superannuation Benefits, Performance Evaluation Payment and Contribution Improvement Incentive Scheme (CRIIS)
3. **Personal Allowance** Rs 3,82,500/-per month in the range of Rs 3,00,000/- to Rs. 6,00,000/- per month.
4. **Performance Evaluation Payment** Of such percentage of Basic Salary plus Special Allowance per annum as may be evaluated by the Board of Directors of the Company, in accordance with the rules of the Company in this regard.
5. **Contribution Improvement Incentive Scheme (CRIIS)** As per the rules framed in this regard.
6. **Long Term Incentive Payment (LTIP)** As per the rules framed in this regard.
7. **Perquisites:**

- (i) **Housing** – Furnished/ Unfurnished residential accommodation or house rent allowance of upto sixty per cent of salary in lieu thereof.

The expenditure incurred by the Company on gas, electricity, water and fuel shall be valued as per the Income Tax Rules, 1962.

ii) Flexi Compensation Package (FCP)

- a) FCP 1 - Comprising LTA - Rs. 15,500/- per month as per the Rules of the Company as applicable.
- b) FCP 2 - Comprising Car lease and lunch vouchers – Rs. 2,36,500/- per month as per the Rules of the Company as applicable.
- c) FCP 3 - Comprising Driver's salary – 18,000/- per month as per the Rules of the Company as applicable.

- iii) **National Pension Scheme Contribution (NPS)** – 10% of the Basic Salary per month.

- iv) **Medical Reimbursement** – Expenses incurred for Mr. P A Murali and his family, as per the rules of the Company, at actuals.
- v) **Club Fees** – Fees of clubs subject to a maximum of two clubs. This will include admission and life membership fees.
- vi) **Group Mediclaim, Term Life and Personal Accident Insurance** – Premium as per the rules of the Company.
- vii) **Provident Fund** – Company's contribution to Provident Fund shall be as per the Scheme of the Company.
- viii) **Superannuation/Annuity Fund** – Company's contribution to Superannuation or Annuity Fund shall be in accordance with the Scheme of the Company.
- ix) **Gratuity** – Payable in accordance with the rules of the approved Fund of the Company.
- x) **Encashment of leave not availed of** – as per the rules of the Company.
- xi) **Provision of cars, cell phone and telephone** at the residence of Mr P A Murali as per the rules of the Company.
- xii) Such other benefits, amenities, facilities and perquisites as per the rules of the Company and as may be permitted to the Executive Director, by the Board of Directors of the Company.

Provided that the remuneration payable to Mr. P A Murali (including Salary, Special Allowance, Personal Allowance, Performance Evaluation Payment, Contribution Improvement Incentive Scheme (CRIIS), Long Term Incentive Payment (LTIP), Perquisites, Benefits, Amenities and Facilities) shall be subject to the provisions laid down in Sections 198 and 309 and Schedule XIII of the Companies Act, 1956 or any other statutory provisions, modifications and re-enactments thereof".

"Further **RESOLVED** that the remuneration as aforesaid by way of Salary, Special Allowance, Personal Allowance, Performance Evaluation Payment, Contribution Improvement Incentive Scheme (CRIIS), Long Term Incentive Payment (LTIP), perquisites, benefits, amenities and facilities shall be paid and provided as "minimum remuneration" to Mr.P.A.Murali notwithstanding the absence or inadequacy of profits in any financial year of the Company during the tenure of his office as the Executive Director of the Company, subject to the approval of the Central Government, if required".

"Further **RESOLVED** that Mr.P.A.Murali shall be responsible in the areas of finance, accounts, taxation and strategy and carry out such other duties as may be entrusted to him by the Managing Director and the Board of Directors of the Company and exercise such powers as may be assigned to him subject to the superintendence, control and directions of the Board of Directors of the Company".

"Further **RESOLVED** that Mr.P.A.Murali shall not be subject to retirement by rotation so long as he continues as Executive Director of the Company".

The Chairman then put the Resolution to vote and it was declared:

Carried Unanimously

Item No.9 – Appointment of Mr.Arunkumar Ramanlal Gandhi as a Director:

The following resolution was proposed as an **Ordinary Resolution** by

Mr. P.G.Govindan and seconded by Mr. S.Ramanujam.

"**RESOLVED** that Mr.Arunkumar Ramanlal Gandhi, who was appointed as an Additional Director of the Company on July 4, 2013 and whose period of office expires on the date of this Annual General Meeting, be and is hereby appointed as a Director of the Company liable for retirement by rotation".

The Chairman then put the Resolution to vote and it was declared:

Carried Unanimously

Item No.10 – Appointment of Mr.Sudhakar Rao as a Director:

The following resolution was proposed as an **Ordinary Resolution** by

Mr.Sivakumar K.V. and seconded by Mr.Bojanna N S.

"**RESOLVED** that Mr.Sudhakar Rao, who was appointed as an Additional Director of the Company on July 4, 2013 and whose period of office expires on the date of this Annual General Meeting, be and is hereby appointed as a Director of the Company liable for retirement by rotation".

The Chairman then put the Resolution to vote and it was declared:

Carried Unanimously

Item No.11 – Appointment of Mr.Sivanandhan Dhanushkodi as a Director:

The following resolution was proposed as an **Ordinary Resolution** by

Mr.K.Y.Venkatesh and seconded by Mr.S.Ananda Prasad

“RESOLVED that Mr.Sivanandhan Dhanushkodi, who was appointed as an Additional Director of the Company on July 4, 2013 and whose period of office expires on the date of this Annual General Meeting, be and is hereby appointed as a Director of the Company liable for retirement by rotation”.

The Chairman then put the Resolution to vote and it was declared:

Carried Unanimously

Item No.12 – Appointment of Ms.Renu Sud Karnad as a Director:

The following resolution was proposed as an **Ordinary Resolution** by

Ms.Nirmala Lingappaji and seconded by Ms. Julia Razvi

“RESOLVED that Ms.Renu Sud Karnad, who was appointed as an Additional Director of the Company on July 4, 2013 and whose period of office expires on the date of this Annual General Meeting, be and is hereby appointed as a Director of the Company liable for retirement by rotation”.

The Chairman then put the Resolution to vote and it was declared:

Carried Unanimously

Item No.13 – Appointment of Mr. Paul Steven Walsh as a Director:

The following resolution was proposed as an **Ordinary Resolution** by

Mr. S.Dharamarajan and seconded by Mr. Leharchand Shah.

“RESOLVED that Mr Paul Steven Walsh who was appointed as an Additional Director of the Company on August 19, 2013 and whose period of office expires

on the date of this Annual General Meeting, be and is hereby appointed as a Director of the Company liable for retirement by rotation”.

The Chairman then put the Resolution to vote and it was declared:

Carried Unanimously

Item No.14 – Appointment of Mr. Vikram Singh Mehta as a Director:

The following resolution was proposed as an **Ordinary Resolution** by

Mr. B.Ravindra Pai and seconded by Mr. Purushottam Raj

“**RESOLVED** that Mr. Vikram Singh Mehta who was appointed as an Additional Director of the Company on August 19, 2013 and whose period of office expires on the date of this Annual General Meeting, be and is hereby appointed as a Director of the Company liable for retirement by rotation”.

The Chairman then put the Resolution to vote and it was declared:

Carried Unanimously

Item No.15 – Revision in the terms of remuneration payable to Mr.Ashok Capoor, Managing Director:

The following resolution was proposed as a **Special Resolution** by

Mr. S.Saravanan and seconded by Mr. P.G.Govindan

“**RESOLVED** that in partial modification to the Resolution No.7 passed at the Twelfth Annual General Meeting of the Company held on September 29, 2011, and in accordance with the provisions and subject to the limits prescribed under Sections 198, 269, 309, 310, Schedule XIII and any other applicable provisions of the Companies Act, 1956 and Rules framed thereunder and any statutory modification or re-enactment thereof, approval of the Company be and is hereby accorded to:

- (i) the revision of Special Allowance payable to Mr.Ashok Capoor, Managing Director of the Company, from the existing Rs 3,00,000/- per month to 50% of the basic salary per month with proportionate increase in all benefits linked to the Special Allowance with effect from May 02, 2011, till the end of his tenure as Managing Director of the Company;
- (ii) the revision of Personal Allowance payable to Mr Ashok Capoor from the existing Rs.1,33,130/- per month to Rs. 4,13,075/- per month, with such further increases as may be permitted, as per rules of the Company, with effect from the month of April 2013 onwards till the end of his tenure as Managing Director of the Company and;

(iii) one time exgratia payment of Rs. 23,00,000/- to Mr .Ashok Capoor.

with all other terms and conditions approved earlier, remaining unchanged”.

“Further **RESOLVED** that the remuneration, as approved at the Twelfth Annual General Meeting held on September 29, 2011, this revised Special Allowance of 50% of the basic salary per month with proportionate increase in all benefits linked to the Special Allowance and this revised Personal Allowance of Rs 4,13,075/- per month, with such further increases as may be permitted and this one time exgratia payment of Rs. 23,00,000/- shall be paid as “Minimum Remuneration” to Mr.Ashok Capoor, notwithstanding the absence or inadequacy of profits in any financial year of the Company during the tenure of his office as Managing Director of the Company, subject to the approval of the Central Government, if required”.

“Further **RESOLVED** that the Board of Directors of the Company or a Committee thereof be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this resolution”.

The Chairman then put the Resolution to vote and it was declared:

Carried Unanimously

Item No.16 – Alteration of Articles of Association of the Company:

The following resolution was proposed as a **Special Resolution** by

Mr. Desmond Dcosta Prabhu and seconded by Ms.Roopa Kashyap

“**RESOLVED** that pursuant to Section 31 of the Companies Act, 1956, a new set of Articles of Association of the Company, a copy of which is placed before the meeting, duly initialled by Chairman of the meeting, for the purposes of identification, be and is hereby approved and adopted as the Articles of Association of the Company in substitution of the existing Articles”.

“Further **RESOLVED** that the Board of Directors of the Company be and is hereby authorised to take all steps as may be necessary for giving effect to the above resolution”.

The Chairman then put the Resolution to vote and it was declared:

Carried Unanimously

There being no other business, the meeting concluded with the vote of thanks to the chair.

**DR. VIJAY MALLYA
CHAIRMAN**