

Standing Tall





Dr. Vijay Mallya
Chairman

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UNITED BREWERIES (HOLDINGS) LIMITED

Directors	<p>Dr. Vijay Mallya, <i>Chairman of the Board</i></p> <p>Mr. Sidhartha V Mallya</p> <p>Mr. N Srinivasan, <i>Non Executive Independent Director</i></p> <p>Mr. M S Kapur, <i>Non Executive Independent Director</i></p> <p>Dr. Lalit Bhasin, <i>Non Executive Independent Director</i></p> <p>Mr. V K Rekhi [<i>up to May 6, 2014</i>]</p> <p>Mr. V.Shashikanth, <i>Managing Director [up to April 17, 2014]</i></p>
Executive Vice Chairman The UB Group	Mr. S R Gupte
President & Chief Financial Officer The UB Group	Mr. Ravi Nedungadi
Company Secretary and Compliance Officer	Mr. Kaushik Majumder
Auditors	<p>M/s Vishnu Ram & Co., Chartered Accountants No.12, Margosa Road, Malleswaram, Bangalore – 560 003</p>
Internal Auditors	<p>B.K. Ramadhyani & Co, Chartered Accountants 68, 4th Floor, 15th Cross, 8th Main, Chitrapur Bhavan, 8th Main Road, Malleswaram, Bangalore – 460 055</p>
Registered Office	<p>UB Tower, Level 12, UB City, No.24, Vittal Mallya Road, Bangalore – 560 001</p>
Registrars and Transfer Agents	<p>Integrated Enterprises (India) Limited No.30, Ramana Residency, 4th Cross, Malleswaram, Bangalore – 560 003</p>

Report of the Directors

Report of the Directors

Your Directors present the 98th Annual Report of your Company together with the Audited Accounts for the year ended March 31, 2014.

FINANCIAL RESULTS

The Annual Report and related financial statements are presented on lines similar to last year in view of the clarifications by Ministry of Corporate Affairs, Government of India vide its circular reference no. 1/19/2013-CL-V-dated April 4, 2014.

The summary of financial results of the Company for the financial year ended March 31, 2014 is as under:

(₹ in million)

	2013-2014	2012-2013
The working for the year resulted in (Loss) from Operations	(2,807.289)	(2,400.450)
Less:		
• Provision for doubtful advances	12,717.054	-
• Bad advances/debts written off	24,505.944	-
Add:		
• Exceptional Items	19,878.906	863.025
Less:		
• Depreciation	81.639	92.145
Loss for the year carried to the Balance Sheet	(20,233.020)	(1,669.570)

DIVIDEND

In view of loss for the year, your Directors are unable to recommend any dividend for the year ended March 31, 2014.

OPERATIONS OF THE COMPANY

The operations of the Company comprise primarily of investment including purchase and sale of shares and other securities, international trade including export sales, development of real estate including both sale and rental of constructed premises, licensing of Trade Marks, advancing of loans and providing guarantees.

The Company has, over the year promoted a number of businesses including the country's leading Brewery & Spirits Companies. These businesses have, where appropriate, formed strategic associations with global leaders in their respective fields, thereby bringing about significant value accretion.

Some other ventures, notably Kingfisher Airlines (KFA), suffered due to a hostile environment, engine failure, lack of funding support from banks and incurred losses over its years in business, leading to a shut down of operations in September, 2012. The Company continued to support KFA throughout its difficult period by way of loans, guarantees

etc. It has been the practice of the Company to provide support for all businesses promoted by it. Post shut down, the Company has been in discussion with potential investors for revival of the airline and had maintained minimal financial support to KFA.

During the year, the Board performed a critical review of its investments in and advances to its various investee companies, having regard to their financial position, their future prospects etc. Consequent to this review, amounts recoverable from certain subsidiaries totaling to Rs 2450.59 crores have been written off. Certain additional amounts totaling ₹ 1271.71 crores due from a Subsidiary and an Associate Company has been provided for as a measure of abundant caution.

During the year under review, some of the shares pledged by the Company to lenders of KFA were invoked and sold by the lenders. This action has been contested by the Company in appropriate courts.

Following the very successful joint venture for the beer business between United Breweries Limited and Heineken, the Company had been looking to forge a strong global association with a spirits major to strengthen the long term prospects of United Spirits Limited concluding with an agreement with Diageo plc, the world's leading spirits company.

SALE OF SHARES TO DIAGEO PLC

Pursuant to the Share Purchase Agreement entered into by the Company and its subsidiary Kingfisher Finvest India Limited (KFIL) for sale of 16,716,987 equity shares held by the Company and KFIL in United Spirits Limited to Relay B.V., an indirect wholly owned subsidiary of Diageo plc., the Company, on July 4, 2013, pursuant to the judgement and order dated May 24, 2013 passed by the Hon'ble Company Judge of the Hon'ble High Court of Karnataka (in the various winding up petitions filed against the Company), granting leave under Sec. 536(2) of the Companies Act, 1956 ("24th May Order"), sold 10,141,437 Equity shares. Appeals were thereafter filed by the petitioners in the various winding up petitions before the Division Bench of the Karnataka High Court seeking to set aside the 24th May Order of the Company Judge. The Hon'ble Division Bench of the High Court of Karnataka in OSA No. 25 of 2013 connected with OSA Nos. 26, 27, 29, 30 & 43 of 2013, vide its judgement and order dated December 20, 2013 (20th December Order), while partly allowing the appeals, has set aside the impugned 24th May Order granting permission to sell 13,612,591 equity shares of USL held by the Company to Relay B.V and Diageo plc and others acting in concert, at a sale price of ₹ 1,440/- equity share. The Division Bench has further reiterated that the Company shall not in any way sell, transfer, part with possession or do any act in respect of all other assets of the Company including the shares, pending disposal of the Company Petition on merits and have also ordered the Company to handover the Fixed Deposit of ₹ 3,797,506,272/- with Lakshmi Vilas Bank to the Registrar General of the High Court of Karnataka. The Company has complied with the 20th December Order. Your Company and Diageo Plc have filed Special Leave Petitions in the Hon'ble Supreme Court against the 20th December Order, being SLP Nos. 967, 1016, 1331, 1344, 1433, 1362, 1501 and 1163 of 2014. The Hon'ble Supreme Court by its Order dated February 10, 2014 has ordered status quo with regard to the transaction which has not been approved by the Division Bench in the 20th December Order. Accordingly the sale of the above shares has been recognized in the accounts of this year.

COMPETING OPEN OFFER OF MCF SHARES

Pursuant to and in compliance with Regulation 20 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended ("SEBI (SAST) Regulations") read with Regulation 3(1) and other applicable regulations of the SEBI (SAST) Regulations, Zuari Fertilizers and Chemicals Limited (Acquirer) together with Zuari Agro Chemicals Limited

[together referred to as "Zuari Group"] and the Company along with its wholly owned subsidiary Kingfisher Finvest India Limited and an associate company McDowell Holdings Limited [together referred to as "UB Group"], as persons acting in concert, made an competing offer/open offer for acquisition of up to 3,08,13,939 (Three Crore Eight Lakh Thirteen Thousand Nine Hundred and Thirty Nine) fully paid-up equity shares of face value of ₹ 10 each ("Equity Shares") from all the public shareholders of Mangalore Chemicals and Fertilizers Limited (MCF) constituting 26% of the fully diluted voting equity share capital at a price of ₹ 68.55 per Equity Share ("Offer Price"), payable in cash (the "Competing Offer"). This Offer is a competing offer, under Regulation 20 of the SEBI (SAST) Regulations, to the open offer made by SCM Soilfert Limited along with Deepak Fertilizers and Petrochemicals Corporation Limited on April 23, 2014 (Original Offer). In view of the legal restrains presently faced by the UB Group, Zuari Group has agreed to subscribe to all the shares that would be tendered in the Competing Offer and all financial obligations, costs, charges and expenses including payment of considerations to public shareholders in terms of the Takeover Regulations will be borne by the Zuari Group alone. Your Company will continue to have management control of MCF. The salient features of the Agreement entered into by UB Group with the Zuari Group, pursuant to which the Competing Offer was made, are mentioned in detail in Clause No. 2.1.5 of the draft Letter of Offer. The Public Announcement for the Competing Offer was made on May 12, 2014, the Detailed Public Statement was published on May 20, 2014, the Draft Letter of Offer was filed with Securities and Exchange Board of India ("SEBI") and the concerned stock exchanges on May 27, 2014. On July 15, 2014 SEBI gave it clearance to the Draft Letter of Offer.. The UB Group, the current promoters of MCF and desirous of protecting its investment, had to make this Competing Offer against the Original Offer.

EXPORT BUSINESS

In the year under review, UB Global recorded a turnover of ₹ 350 crores. Apparel exports performed well with a growth of 52%. For the sixth time, UB Global bagged the "EXPORT EXCELLENCE AWARD" for the year 2014 from the Federation of Karnataka Chamber of Commerce and Industry, Karnataka. The liquor export business has reduced considerably as United Spirits Limited has decided to do direct business in certain parts of the world. However, dialogue is on with United Spirits Limited for continuing the liquor export business as in the past. The Company is also exploring other export options to maintain its export turnover.

Report of the Directors (contd.)

PROPERTY DEVELOPMENT

The construction work for development of a luxury residential building "Kingfisher Towers – Residences at UB City" in the available land in UB City is progressing as per schedule and is expected to be completed in 2015. The super built up area of the building would be 7,67,870 sq. ft. The super built up area falling to the share of the Company would be 4,18,388 sq. ft.

Your Company continues to earn rentals from the retail and office spaces let out in UB City.

LITIGATION UPDATE

Your Company through itself and through its other subsidiaries holds 6.67% of the paid up capital of Kingfisher Airlines Limited [KFA].

Your Company has significant exposure on various counts in KFA by way of loans and guarantees.

The lenders of KFA have, pursuant to certain Corporate Guarantees given by the Company (the validity of which is disputed), demanded from the Company, their alleged dues from KFA amounting to ₹ 6203.35 crores and unapplied interest have moved the Debt Recovery Tribunal ("DRT") for recovery of these alleged dues. The Company has taken steps to defend the proceedings before the DRT as per the advice of its lawyers.

The Goa Senior Division Court has granted an interim injunction against any coercive action by lenders of KFA in respect of the Company's property in Goa, tenanted to United Spirits Limited. Subsequently, KFA lenders have sent a notice under the SARFAESI Act in respect of the said property. The Company has responded to the notice issued to the Company purportedly under the SARFAESI Act challenging the same.

KFA lenders have also sold certain investments belonging to the Company pursuant to invocation of the purported pledge by the Company of certain investments. The Company and others have filed a suit in the Hon'ble Bombay High Court, being Suit No. 311 of 2013 against the consortium of bankers (Bombay Suit) who have advanced loans to KFA, inter alia, seeking the following reliefs:-

- (a) For a declaration that the Corporate Guarantee dated December 21, 2010 given by the Company and the Pledge Agreement dated December 21, 2010, are void ab-initio and non-est;
- (b) For a permanent order and injunction restraining the consortium of bankers, their servants, agents or assigns, or any other person claiming by, through or under them or any of them, from acting upon, in furtherance

or in any manner giving effect to the impugned Notices dated March 16, 2013, or from taking any other or further steps to act upon or in furtherance of the Pledge Agreement dated December 21, 2010, save and except in accordance with the procedure set out in clause 8.1 of the Master Debt Recast Agreement (MDRA), including issuing a notice there under.

- (c) For a permanent order and injunction restraining the consortium of bankers, their servants, agents or assigns, or any other person claiming by, through or under them or any of them, from acting upon, in furtherance of the Corporate Guarantee dated December 21, 2010 given by the Company and the Pledge Agreement dated December 21, 2010;
- (d) That an order and decree of damages of the sum of ₹ 3,199.68 crores. as set out in the Particulars of Claim be awarded to the Plaintiffs.
- (e) That the maximum limit under the Company's Corporate Guarantees be ₹ 1601.43 crores for reasons set out in the Suit.

Your Company has also filed a Notice of Motion in the said Suit, being Notice of Motion 306 of 2014 inter alia, for a decree on admission that the extent of the liability under the Corporate Guarantee is restricted to ₹ 1601.43 crores based on admissions by the consortium of bankers. The said Suit and Notice of Motion are pending adjudication in the Hon'ble Bombay High Court.

The Company (UBHL) and Kingfisher Finvest India Limited (KFIL, a wholly owned subsidiary of the Company) have filed a suit, against IDBI Trusteeship Services Limited and SREI Venture Capital Limited in the City Civil Court at Calcutta, being T.S. No. 966 of 2013, for a declaration inter alia, that the Security Trustee Agreement dated June 30, 2008 and the Consolidated Deed of Pledge dated December 21, 2010 (in respect of 4,937,375 equity shares of United Spirits Limited held by UBHL and KFIL) are void, unenforceable and of no effect. The said suit is pending.

SBICAP Trustee and the Consortium of Banks, which have advanced loans to KFA have filed a suit, inter alia, against IDBI Trusteeship Services Limited, SREI Venture Capital Limited, UBHL and KFIL in the Court of City Civil Judge in Bangalore, being O.S. No. 25877 of 2013 to enforce their alleged rights under the Release of Residual Interest Agreement dated December 21, 2010 in respect of the 3,147,985 shares held by UBHL in USL, 59,150,000 shares held by UBHL in KFA and 1,789,410 shares held by KFIL in USL. In the suit, the Plaintiffs have called upon the Defendants to sell the pledged shares in the market, discharge their loan commitment and pass on the residue

to the consortium. By an Order dated June 14, 2013, the Hon'ble Judge granted ex-parte reliefs restraining the defendants therein from selling the pledged shares below the best available market price and at any event, at any price below ₹ 2350.68 per share (95% of the average closing market price on 07/06/2013 on the BSE/NSE), without the consent of the Plaintiffs therein, and restraining the Defendant Nos. 1 to 3 (IDBI Trusteeship Services Limited, SREI Venture Capital Limited and India Global Competitive Fund) from returning/ handing over the pledged shares to UBHL and KFIL and/or releasing the pledge over the pledged shares and/or altering the nature of the pledge in any manner, till the disposal of the suit. The Consortium of Banks also filed Writ Petition No. 28577 of 2014 in the Hon'ble Karnataka High Court in respect of the pledged shares. On June 10, 2014, IDBI Trusteeship Services Limited transferred the pledged shares to India Global Competitive Fund (managed by SREI Venture Capital Limited), who in turn sold 4,937,395 shares of and in United Spirits Limited held by UBHL and KFIL. By an order dated June 20, 2014 in Writ Petition No. 28577 of 2014, India Global Competitive Fund has been ordered to deposit the surplus/balance sales proceeds from the aforesaid sale of shares in USL after India Global Competitive Fund purportedly adjusted ₹ 690 crores against its alleged dues from KFA. UBHL is defending the aforesaid Writ Petition No. 28577 of 2014, O.S. No. 25877 of 2013 and the ex-parte ad-interim orders passed therein.

Guarantee Commission arising out of the corporate guarantee given and Security Commission arising out of security pledged in favour of lenders of KFA, have not been accrued in view of KFA being precluded by its Bankers from making payment of any Guarantee Commission and in view of the stand taken by the Company and the other Plaintiffs in the Bombay Suit. Similarly, interest has not been accrued on the outstanding loans relating to KFA.

Certain alleged Corporate Guarantees on behalf of KFA have been invoked and certain purported beneficiaries of Corporate Guarantees issued on behalf of KFA including the Consortium of Banks have filed petitions against the Company under Sections 433/434 of the Companies Act 1956. On November 19, 2013, the Hon'ble Karnataka High Court admitted Company Petition No. 248 of 2013 filed by BNP Paribas, one of the purported beneficiaries. Your Company filed Original Side Appeal No. 52 of 2013 before the Division Bench of the Karnataka High Court challenging the judgment and order dated November 19, 2013 which appeal was dismissed by a judgment and order dated December 16, 2013. Your Company has now filed a Special Leave Petition in the Hon'ble Supreme

Court of India, being Special Leave Petition No. 1163 of 2014 challenging the order of the Karnataka High Court dated December 16, 2013. The said Special Leave Petition is pending.

On December 13, 2013, the Hon'ble Karnataka High Court also admitted Company Petition No.185 of 2012 filed by Avions De Transport Regionale, one of the other purported beneficiaries. Your Company has filed Original Side Appeal No. 18 of 2014 before the Division Bench of the Karnataka High Court challenging the judgment and order dated December 13, 2013. The said appeal is still pending.

Punjab National Bank and Corporation Bank had sent notice of their intention to classify your Company as a "willful defaulter" under the Master Circular on Willful Defaulters issued by the RBI dated July 1, 2013. Your Company submitted its reply and appeared before the Grievance Redressal Committee's of the respective banks. No decision classifying your Company as a willful defaulter has been communicated by the said banks thereafter. Similarly, United Bank of India ("UBI") has initiated steps to try and classify KFA, its Chairman & Managing Director and erstwhile directors as willful defaulters. Thereafter, UBI addressed an email dated June 16, 2014 to your Company erroneously contending that in the event of Kingfisher Airlines Limited being declared willful defaulters, as a consequence, for Company would also be declared a willful defaulter. Your Company, on legal advice, has responded to the said email stating that the email was an afterthought, and in any event in breach of the principles of natural justice, neither was an opportunity given to your Company to be informed about UBI's basis for attempting to declare your Company a willful defaulter nor was your Company given an opportunity to refute UBI's case and place its say in the matter on record.

The Company, ably assisted by eminent Counsel is taking all necessary steps to protect the interests of the Company.

SUBSIDIARIES

The following are the subsidiaries of the Company:

A. Indian Subsidiary Companies

1. Bangalore Beverages Limited
2. Bestride Consultancy Private Limited
3. City Properties Maintenance Company Bangalore Limited
4. Kingfisher Finvest India Limited [Formerly Kingfisher Radio Limited]
5. Kingfisher Training and Aviation Services Limited [Formerly Kingfisher Airlines Limited]

Report of the Directors (contd.)

6. Kingfisher Aviation Training Limited [Formerly Kingfisher Training Academy Limited]
7. Kingfisher Goodtimes Private Limited
8. UB Electronic Instruments Limited
9. UB Infrastructure Projects Limited
10. UB International Trading Limited
11. UB Sports Limited

B. Overseas Subsidiary Companies

12. Inversiones Mirabel, S.A.
13. Mendocino Brewing Co. Inc, USA
14. Rubic Technologies Inc
15. Rigby International Corp
16. Releta Brewing Company LLC
17. UB Overseas Limited
18. UBHL [BVI] Limited
19. United Breweries of America Inc., Delaware
20. United Breweries International [UK] Limited
21. Kingfisher Beer Europe Limited (Formerly UBSN Limited)

The statement pursuant to Section 212(1)(e) also forms part of this Annual Report.

Summarised financials of the Subsidiary Companies as required in terms of general exemption granted under Section 212(8) of the Companies Act, 1956, by the Government of India, Ministry of Corporate Affairs, vide General Circular No. 2/2011, dated February 8, 2011 are attached and form part of this report.

Consolidated Accounts

As per the Listing Agreement, the Consolidated Accounts conforming to the applicable Accounting Standards forms part of this Annual Report. The accounts of seven subsidiary companies, whose ability to transfer funds to your Company has been significantly impaired, have been excluded from consolidation as per AS 21 prescribed under ICAI regulations.

DIRECTORS

Mr. V Shashikanth who was appointed as Managing Director of the Company with effect from August 21, 2013 for a period of three years resigned as a Director and Managing Director of the Company with effect from close of business hours on April 17, 2014. He however continues to be an Executive of the Company. The Company is in the process of appointing a Managing Director in place of Mr. V Shashikanth.

After the resignation of Mr. V. Shashikanth as Managing Director on April 17, 2014, the Company is yet to appoint a Whole-Time Director or Managing Director. The Company

also does not have a Chief Financial Officer. The Board aided by the Chairman is looking for suitable persons to be appointed as Managing Director / Whole - Time Director and Chief Financial Officer.

Mr. V K Rekhi resigned as Director of the Company with effect from May 6, 2014.

Mr. Sidhartha V Mallya, Director, retires by rotation and, being eligible, offers himself for re-appointment, as a Director liable to retire by rotation.

The Company has, pursuant to the provisions of Clause 49 of the Listing Agreements entered into with Stock Exchanges, appointed Mr. N Srinivasan, Mr. M S Kapur and Dr. Lalit Bhasin as Independent Directors of the Company. The Company has received declarations from the said Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under the said Clause 49. In accordance with the provisions of Section 149(4) and proviso to Section 152(5) of the Companies Act, 2013, these Directors are being appointed as Independent Directors to hold office as per their tenure of appointment mentioned in the Notice of the forthcoming Annual General Meeting of the Company.

A brief resume of the Directors proposed to be appointed/re-appointed is given in the Annexure to the Notice.

AUDITORS

Messrs. Vishnu Ram & Co., Chartered Accountants, retire as Auditors of the Company at the conclusion of the forthcoming Annual General Meeting and are eligible for re-appointment.

In terms of the provisions contained in the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 the appointment of Statutory Auditors is proposed for a period of three financial years commencing 2014-2015 to hold office from the conclusion of the Ninety Eighth Annual General Meeting till the conclusion of One Hundred and First Annual General Meeting. Their appointment during the aforesaid term of three financial years shall be subject to ratification by the Members at subsequent Annual General Meetings.

QUALIFICATIONS OF AUDITORS AND MANAGEMENT RESPONSE

With reference to observations in the Auditors Report regarding non-provision for loans and advances to certain Subsidiaries and an Associate Company and for decline in value of investment in certain Subsidiaries and an Associate Company, the relevant notes on the accounts

Report of the Directors (contd.)

comprehensively explain the management's views on such matters.

LISTING OF SHARES OF THE COMPANY

The shares of your Company are listed on Bangalore Stock Exchange Limited [Regional Exchange], BSE Limited (formerly Bombay Stock Exchange Limited) and National Stock Exchange of India Limited. The Listing Fees for the year 2014-2015 has been paid to all the above Stock Exchanges.

CORPORATE GOVERNANCE

A report on Corporate Governance is annexed separately as part of the report along with a Certificate of Compliance from the Statutory Auditor.

MANAGEMENT DISCUSSION AND ANALYSIS

Pursuant to Clause 49 of the Listing Agreements with the Stock Exchanges, Management Discussion and Analysis Report is appended and forms an integral part of the Report on Corporate Governance which is appended.

FIXED DEPOSITS

The Fixed Deposits accepted from the Public and Shareholders stood at ₹ 211.720 million as on March 31, 2014 (including an amount of ₹ 29.593 million accepted during the year under review).

A sum of ₹ 0.132 million from Public and Shareholders remained unclaimed as at March 31, 2014.

The Board of Directors has decided henceforth not to renew or accept fresh deposits.

There have been no defaults in the repayment of fixed deposits during the year excepting occasional short delay for which interest had been paid along with matured deposits.

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to the provisions of Section 205A[5] and 205C of the Companies Act, 1956, an amount of ₹ 0.330 million [Previous Year ₹ 0.237 million] being the aggregate of the Unclaimed Dividend and Deposits, remaining unclaimed and unpaid for more than 7 years, have been transferred to the Investor Education and Protection Fund.

PARTICULARS OF EMPLOYEES

The information as are required to be provided in terms of Section 217[2A] of the Companies Act, 1956 read with Rules made thereunder, in respect of employees of the Company, forms part of the this Report. In terms of Section 219(1)(b)(iv) of the Companies Act, 1956, the Reports and Accounts are being sent to the Members excluding the

aforesaid annexure. Any Member interested in obtaining a copy of the same may write to the Company Secretary.

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUT GO

Particulars of Conservation of Energy, Technology Absorption

The Provisions of Section 217[1][e] of the Act relating to conservation of energy and technology absorption do not apply to this Company since it is not engaged in manufacturing activities.

Foreign Exchange Earnings and outgo

The particulars are given in the Notes to the Audited Accounts.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement of Section 217[2AA] of the Companies Act, 1956 the Board of Directors hereby state that:

- (i) in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- (ii) accounting policies have been selected and applied consistently and the judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the loss of the Company for that period.
- (iii) proper and sufficient care have been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for prevention and detection of fraud and other irregularities.
- (iv) the Annual Accounts have been prepared on a going concern basis.

ACKNOWLEDGEMENT

Your Directors place on record the support received from Group Companies, shareholders, depositors, banks, financial institutions and employees.

By Order of the Board

London
August 13, 2014

Dr. Vijay Mallya
Chairman

Annexure to Report of the Directors

Statement pursuant to Section 212(1)(e) of the Companies Act, 1956 as at March 31, 2014

(₹ in million)

Sl. No.	Name of the Subsidiary	No. of equity shares at the end of the financial year of the Company		Percentage of holding		Net Aggregate Profit/(Loss) of the Subsidiary so far as it concerns the Shareholders of the Company			
		United Breweries (Holdings) Limited	Other Subsidiary Companies	United Breweries (Holdings) Limited	Other Subsidiary Companies	a) Not dealt with in the Accounts of the Company		b) Dealt with in the Accounts of the Company	
						(i)	(ii)	(i)	(ii)
						For the subsidiary's financial year ended March 31, 2014	For previous year of the subsidiary since it became a subsidiary	For the subsidiary's financial year ended March 31, 2014	For previous year of the subsidiary since it became a subsidiary
1	2	3		4		5	6	7	8
1	City Properties Maintenance Company Bangalore Limited	50,000	-	55.00	-	10.141	5.892	-	-
2	Kingfisher Finvest India Limited [Formerly Kingfisher Radio Limited]	50,000	-	100.00	-	519.853	(435.851)	-	-
3	UB Electronic Instrments Limited	280,976	6,410	96.25	2.19	3.061	2.898	-	-
4	UB International Trading Limited	25,050,002	-	100.00	-	(0.419)	(11,238)	-	-
5	Rigby International Corp.	15,115,488	-	100.00	-	(0.114)	(0.109)	-	-
6	UB Overseas Limited	50	950	5.00	95.00	(170.831)	(160.755)	-	-
7	Rubic Technologies Inc.	5,500,000	-	100.00	-	-	(0.004)	-	-
8	UBHL (BVI) Limited	238,370	-	100.00	-	12.760	12.677	-	-
9	United Breweries International (UK) Limited	-	100,000	-	100.00	0.084	-	-	-
10	Kingfisher Beer Europe Limited [Formerly UBSN Limited]	-	100,000	-	100.00	55.615	-	-	-
11	United Breweries of America Inc., Delaware	-	14,542	-	92.49	(2.353)	0.882	-	-
12	Releta Brewing Company LLC	-	100	-	100.00	(64.003)	2.351	-	-
13	Inversiones Mirabel, S.A	-	2	-	100.00	(0.172)	(0.163)	-	-
14	Mendicino Brewing Company Inc., USA	-	8,587,818	-	68.10	(47.713)	(16.834)	-	-

Note: The above statement does not include seven subsidiary companies which have been excluded from consolidation.

By Order of the Board

London
August 13, 2014

Dr. Vijay Mallya
Chairman