

## United Spirits Limited

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

**NOTICE IS HEREBY GIVEN OF THE ELEVENTH ANNUAL GENERAL MEETING** of the Company to be held at Good Shepherd Auditorium, Opposite St. Joseph's Pre-University College, Residency Road, Bangalore – 560 025 on Wednesday, September 29, 2010 at 11.00 a.m. for the following purposes:

1. To receive and consider the accounts for the year ended March 31, 2010 and the reports of the Auditors and Directors thereon;
2. To declare dividend on Equity Shares;
3. To elect a Director in the place of **Mr. Subhash Raghunath Gupte**, who retires by rotation and being eligible, offers himself for re-appointment;
4. To elect a Director in the place of **Mr. Sudhinder Krishan Khanna**, who retires by rotation and being eligible, offers himself for re-appointment;
5. To appoint Auditors and fix their remuneration;
6. **Commission to Directors**

To consider and if thought fit, to pass with or without modification, the following Resolution as a Special Resolution:

RESOLVED that the Company's Directors other than a Managing Director or Director(s) in the wholetime employment of the Company, be paid every year a remuneration not exceeding one percent of the net profits of the Company, which amount they may apportion among themselves in any manner they deem fit, in addition to sitting fees, if any payable to each Director for every Meeting of the Board or Committee thereof attended by him/her, and that this Resolution remain in force for a period of five years from April 1, 2011.

By Order of the Board

Place : New Delhi  
Date : August 18, 2010

**V.S. VENKATARAMAN**  
Company Secretary

Notes:

1. Please refer to the Explanatory Statement given hereunder.
2. **A SHAREHOLDER ENTITLED TO ATTEND THE MEETING AND VOTE THEREAT MAY APPOINT A PROXY TO ATTEND AND VOTE ON HIS BEHALF ONLY ON A POLL. SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

The proxy form duly completed must reach the Registered Office of the Company not later than forty-eight hours before the time appointed for the holding of the Meeting.

3. The Transfer Books and Register of Members will remain closed from Thursday, September 23, 2010 to Wednesday, September 29, 2010 (both days inclusive).
4. Members are required to intimate immediately to the Company's Registrars and Transfer Agents, M/s. Alpha Systems Pvt. Ltd., 30, Ramana Residency, 4th Cross, Sampige Road, Bangalore - 560 003 (Telephone No.080-23460815-818 Fax No.080 2346 0819):
  - a. any change in their registered addresses along with PIN Code Number; and
  - b. details about their bank account number, name of bank, bank's branch name and address to enable the Company to draw dividend warrant payable accordingly.
5. In respect of shares held in electronic form, the dividend will be payable on the basis of beneficial ownership as per details furnished by National Securities Depository Limited and Central Depository Services (India) Limited for this purpose.
6. Members holding shares in electronic form may please note that their bank details as furnished by the respective Depositories to the Company will be printed on their Dividend Warrants as per the applicable regulations of the Depository. The Company will not act on any direct request from such members for change/deletion in such bank details. Further, instructions if any, already given by them in respect of shares held in physical form will not be automatically applicable to the dividend paid on shares held in electronic form. Members may, therefore, give instructions regarding bank accounts in which they wish to receive dividend, to their Depository Participants immediately.
7. Members holding shares in the same name or same order of names under different ledger folios are requested to apply for consolidation of such folios, to the Company's Registrars and Transfer Agents, at the address as stated in Note No.4 above.
8. Members may please address all their documents/correspondence relating to the equity shares of the Company directly to the Company's Registrars and Transfer Agents, at the address as stated in Note No.4 above.
9. Nomination facility for shares is available for members. The prescribed format in this regard can be obtained from the Company's Registrars and Transfer Agents at the address as stated in Note No.4 above.
10. The Company's equity shares are under compulsory dematerialisation. Accordingly, trading of these shares through the Stock Exchanges would be facilitated if the share certificates are dematerialised. Members having the physical share certificates are advised to consider opening of a Demat Account with an authorised Depository Participant and arrange for dematerialising their shareholdings in the Company.

11. a) All Unclaimed / Unpaid Dividend up to the financial year ended March 31, 1994, have been transferred to the General Revenue Account of the Central Government in terms of Section 205A of the Companies Act, 1956. Those who have not encashed the Dividend Warrants for the said period may claim their dividends from the Registrar of Companies - Karnataka, II Floor, E-Wing, Kendriya Sadan, Koramangala, Bangalore - 560 034.
- b) All Unclaimed / Unpaid Dividend for the financial years 1994-95 to 2001-02, required to be transferred to the Investor Education and Protection Fund (Fund) in terms of Section 205C of the Companies Act, 1956, have been transferred to the Fund.
- c) In terms of Section 205A and 205C of the Companies Act, 1956, the amount of dividend declared for the financial year 2002-03 and thereafter remaining unclaimed for a period of seven years from the due date of payment shall hereafter be transferred to the Fund.
12. Members may kindly note that once the Unclaimed / Unpaid Dividend is transferred to the Fund, no claim shall lie against the Fund or the Company in respect of the individual amounts which were Unclaimed and Unpaid for a period of seven years from the dates that they first became due for payment and no payment shall be made in respect of any such claim.
13. Members attending the Annual General Meeting are requested to bring with them the following:
  - a. Members holding shares in dematerialised form, their DP & Client ID Numbers.
  - b. Members holding shares in physical form, their Folio Numbers.
  - c. Copy of the Annual Report and Notice, as no copies thereof would be distributed at the Meeting.
  - d. The Attendance Slip duly completed and signed in terms of specimen signature lodged with the Company.

The Company would accept only the Attendance Slip from a member actually attending the Meeting; or from the person attending as a proxy under a valid proxy form registered with the Company not less than 48 hours prior to the Meeting. Attendance Slips of Members/valid proxies not personally present at the Meeting, or relating to Proxies which are invalid, will not be accepted from any other member/person.

The Meeting is for members or their proxies only. Please avoid being accompanied by non-members/children.
14. The Company has designated an exclusive email Id viz., [uslinvestor@ubmail.com](mailto:uslinvestor@ubmail.com) to enable the investors to post their grievances and monitor its redressal.
15. Corporate members are required to send to the Company a certified copy of the Board Resolution pursuant to Section 187 of the Companies Act 1956, authorizing their representative to attend and vote at the Annual General Meeting.
16. The details required to be given in pursuance of Clause 49 of the Listing Agreement in case of directors being reappointed are given in the Corporate Governance Section of the Annual Report.

EXPLANATORY STATEMENT AS REQUIRED BY SECTION 173 OF THE COMPANIES ACT, 1956

Item No. 6: (Commission to Directors)

At the Annual General Meeting held on September 23, 2005 members had passed a Special Resolution pursuant to the provisions of Section 309(4) of the Companies Act, 1956, authorising the payment every year to the Company's Directors, other than a Managing Director or Wholetime Director(s) of a remuneration by way of commission on the net profits of the Company for that year, in addition to sitting fees. This Resolution is in force up to March 31, 2011. It is proposed to pass a fresh resolution as stated in this item to remain in force for a period of five years from April 1, 2011.

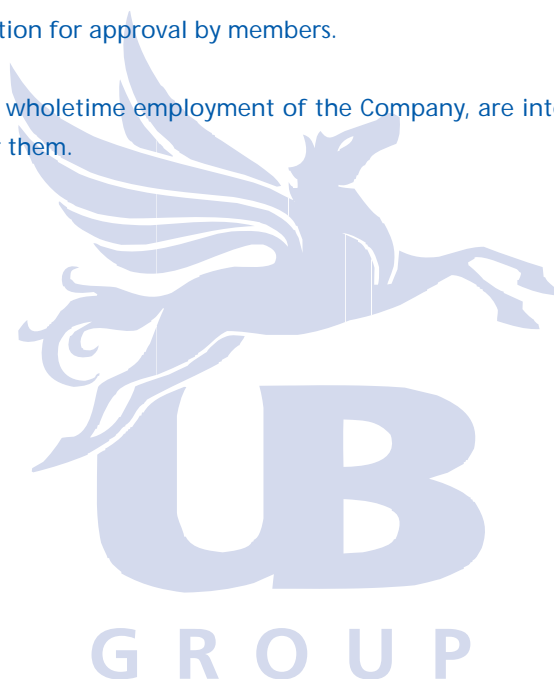
The Directors recommend the Resolution for approval by members.

All the Directors, who are not in the wholetime employment of the Company, are interested in this item of business to the extent of remuneration proposed for them.

Place : New Delhi  
Date : August 18, 2010

By Order of the Board

V.S. VENKATARAMAN  
Company Secretary



UNITED SPIRITS



ANNUAL REPORT 2009 - 2010



A toast to 100 million cases






















UNITED SPIRITS LIMITED



# USL's Millionaire Brands



## 100 Million cases in 2009-10

-  **USL - Now Global # 2 - Poised to become # 1**
-  **USL - India's Undisputed Leader**
-  **In 25 years, USL has sold 740 Million cases**
-  **USL has out-performed the FMCG peer set on Revenue and Profit growth**
-  **USL brands grew 14% - world's top 100 spirits brands grew 1%\***
-  **USL is one of the two companies in the world with more than 10 brands featuring in the Top 100 Brand Listing**
-  **McDowell's - the largest alcobev umbrella brand in the world**
-  **Whyte & Mackay - the fourth largest Scotch Whisky company in the world**
-  **USL is one of five brands tipped to become a global brand from emerging markets**
-  **McDowell's No.1 is India's largest FMCG brand by retail value and the world's largest alcobev brand**
-  **Bagpiper and McDowell's No.1 - the largest selling whiskies in the world**
-  **McDowell's No.1 - the largest selling brandy in the world**
-  **Celebration Rum - the third largest selling rum in the world**
-  **Black Dog - the largest premium Scotch Whisky in India**
-  **Black Dog 12-Yr Old - fastest growing premium Scotch Whisky**
-  **DSP Black - fastest growing in the prestige whisky category**
-  **White Mischief - #1 in the regular vodka category**
-  **Old Cask - fastest growing rum in the regular rum category**
-  **Honey Bee - fastest growing in the regular brandy category**

**United Spirits Limited - Truly a global Indian FMCG company...**





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Dr. Vijay Mallya  
Chairman



# Chairman's Statement

Dear Friends,

Having achieved landmark sales of over 100 million cases last year with prospects of double digit growth, I am sure you will join me in celebrating the achievements of our Company. Not only does the 100 million benchmark reiterate our position as the world's No. 2 player, but the differential growth rates that we expect in India vis-à-vis the current world leader, gives me good reason to believe that we shall shortly seize global leadership.

Needless to say these achievements have been made possible by a relentless focus on quality, control of costs and efficient management of an extremely complex machine. To give you an idea of the scale of your company's operations, USL sources nearly 100 brands in an average four pack sizes each in 28 differentiated markets from 80 manufacturing facilities. Given the variations of taxes and other regulations from State to State, even a minor misstep can result in huge costs. The fact that we have been able to consistently defend and indeed improve our profitability from year to year is proof of the ceaseless vigilance exercised by the Company and its management.

Ultimately, the success of any company depends on its customers and the strong, sustained demand for our Company's products from consumers across the length and breadth of the country is proof enough of our delivery on this very important promise.

We are a young country and, alongwith an increased propensity to consume, comes also the insistence on globally comparable products and services. The Indian consumer has evolved in a multiplicity of ways and any company that does not cater to these ever more sophisticated requirements is doomed to failure. I am proud to say that USL has not only met consumer expectations but has consistently tried to anticipate future needs. This is demonstrated by our consistent out performance in the market place.

Innovation has always been a priority in our Company and the recent past has seen new initiatives such as tetra packs and others, which while offering greater assurance and convenience to the consumer, is also more cost effective. New products launched in the market including the Black Dog 18-Year Old, a number of W&M products as well as wines have all been well received by the consumers and will form a firm foundation for future growth.

Scotch Whisky continues to be in short supply globally with rising demand in large emerging markets such as China and

India. This is likely to result in unprecedented growth for this aspirational category. This bodes well for our significant investment in W&M. After a strategic review recently, we have decided to refocus W&M's business away from the sale of bulk scotch, into branded mature offerings. While this could result in reduced revenues and profits for W&M in the very near term, I believe this is an important step to ensure a sustainably profitable scotch business, in the future.

Recognizing the latent though still small demand for wines within India, USL has set up a state-of-the-art winery in Baramati with a capacity to bottle four million bottles per year. All the evidence points to this segment growing at a scorching pace, which can only be accelerated by USL's distribution strengths. I have no doubt that over the next several years, wines will develop to be an important category for us.

Various corporate actions including the amalgamation of Shaw Wallace & Company and its various associates into USL have been given effect to during the year. The Company has also made other strategic acquisitions such as Tern Distilleries, which will provide vital primary distillation capacity. The merger of Balaji Distilleries, a long time associate in the state of Tamil Nadu, with your Company is awaiting necessary approvals. All of these moves will give the company greater stability and sustainability in the future.

Our Company will continue to invest in the backend of the business so as to achieve flexibility of raw material (multi substrate distillation), increase use of Bio Mass in lieu of hydrocarbons, as also to cater to additional capacity needed to keep up with the demand, which is growing in double digits.

As the acknowledged leader in the country, we make every effort to ensure a sustainable framework in which the industry can thrive in the future. We promote responsible consumption while continuing to educate Governments on the need to free the industry from the chains of irrational legislation and hidden costs of doing business. As one of the major contributors to the exchequer of the States, we continue to be in the forefront of fulfilling social responsibilities.

I am thankful to all stake holders who have contributed to a landmark year and I look forward to a continued team effort as our Company rises to even greater heights.



Dr. Vijay Mallya  
Chairman

## Board of Directors

Vijay Mallya,  
**Chairman**

S. R. Gupte,  
**Vice Chairman**

V. K. Rekhi,  
**Managing Director**

M. R. Doraiswamy Iyengar

B. M. Labroo

Sreedhara Menon

Sudhinder Krishan Khanna

**President & CFO – The UB Group**

Ravi Nedungadi

**Deputy President & CFO**

P. A. Murali

**Company Secretary**

V. S. Venkataraman

**Auditors**

Price Waterhouse  
Chartered Accountants,  
Bangalore

**Registered & Corporate Office**

‘UB Tower’, #24, Vittal Mallya Road,  
Bangalore - 560 001

**Registrars & Transfer Agents**

Alpha Systems Private Limited  
30, Ramana Residency, 4<sup>th</sup> Cross,  
Sampige Road, Malleswaram,  
Bangalore - 560 003  
Tel : 080 2346 0815 to 818  
Fax : 080 2346 0819