

**SHAW WALLACE OVERSEAS
LIMITED**

FINANCIAL STATEMENTS

FOR THE PERIOD ENDED

March 31, 2016

SHAW WALLACE OVERSEAS LIMITED

Balance Sheet as at March 31, 2016

	Note No	As at 3/31/2016 GBP	As at 3/31/2015 GBP
I. Equity and Liabilities			
1. Shareholders' Funds			
a. Share Capital	2.1	357,745	357,745
b. Reserves and Surplus	2.2	(146,772)	(149,412)
2. Non-current Liabilities			
a. Other long term liability	2.3	7,009	4,812
3. Current Liabilities			
a. Other Current Liabilities	2.4	6,884	9,931
		<u>224,866</u>	<u>223,076</u>
II. Assets			
1. Non-current Assets			
a. Long term Loans and advances	2.5	150,757	150,757
2. Current Assets			
a. Cash and Cash Equivalents	2.6	74,109	71,188
b. Short term Loans and Advances	2.7	-	1,131
		<u>224,866</u>	<u>223,076</u>
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS	1 & 2		

This is the Balance Sheet referred to in our report of even date

For Vishnu Ram & Co.
Chartered Accountants

S. Vishnu Murthy
Proprietor

Membership Number: 22715

Firm Registration Number: 004742S

Place: Bangalore

Date: 21/03/2016

For and on behalf of the board of directors of
SHAW WALLACE OVERSEAS LIMITED

[Signature]
Authorised Signatory

[Signature]

SHAW WALLACE OVERSEAS LIMITED

Statement of Profit and Loss for the year ended March 31, 2016

	Note No	For the year ended 3/31/2016 GBP	For the year ended 3/31/2015 GBP
I. Revenue			
a. Other Income	2.8	4,732	9,432
		<u>4,732</u>	<u>9,432</u>
II. Expenses			
a. Other expenses	2.9	1,146	750
		<u>1,146</u>	<u>750</u>
III. Profit before taxation		3,586	8,682
a. Tax Expense:			
i. Current Tax		946	944
ii. Deferred Tax Charge / (Credit)		-	-
IV. Profit for the year		<u>2,640</u>	<u>7,738</u>
V. Earning per share			
i. Basic (Face value of £ 1 each)		0.01	0.02
ii. Diluted (Face value of £ 1 each)		0.01	0.02

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS

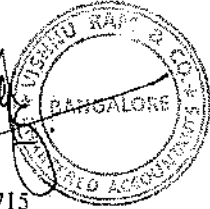
1 & 2

This is the Statement of Profit and Loss referred to in our report of even date

For Vishnu Ram & Co
Chartered Accountants

S. Vishnu Murthy
Proprietor

Membership Number: 22715
Firm Registration Number: 004742S



For and on behalf of the board of directors of
SHAW WALLACE OVERSEAS LIMITED

[Signature]
Authorised Signatory

[Signature]

Place: Bangalore

Date: 21/03/2016

SHAW WALLACE OVERSEAS LIMITED

Cash Flow statement for the year ended March 31, 2016

	For the year ending 3/31/2016 GBP	For the year ending 3/31/2014 GBP
A. Cash Flow from operating activities		
Loss before taxation	3,586	8,682
Adjustments for:		
Interest Income	(4,732)	(4,793)
	<u>(4,732)</u>	<u>(4,793)</u>
Operating profit before working capital changes	(1,146)	3,889
Increase/(decrease) in Trade payables	(3,047)	6
	<u>(3,047)</u>	<u>6</u>
Cash generated from operations	(4,193)	3,895
Direct taxes paid	(946)	(944)
Cash used in operations	(5,139)	2,951
B. Cash Flow from investing activities		
Interest received	4,732	4,793
Net cash generated from investing activities	4,732	4,793
C. Cash Flow from financing activities		
Proceeds/(Repayment) of long term loans		
Proceeds	2,197	2,139
Proceeds/(Repayment) of short term loans	1,151	2,615
Net cash used in financing activities	3,328	4,752
Net (Decrease)/ Increase in cash and cash equivalents	2,921	12,496
Cash and cash equivalents as at March 31, 2015	71,188	58,692
Cash and cash equivalents as at March 31, 2016	<u>74,109</u>	<u>71,188</u>
	<u>2,921</u>	<u>12,496</u>

This is the Cash Flow Statement referred to in our report of even date.

For Vishnu Ram & Co
Chartered Accountants

S. Vishnumurthy
Proprietor
Membership Number 22715
Firm Registration Number 004732

Place: Bangalore
Date: 21/03/2016



For and on behalf of the board of directors of
SHAW WALLACE OVERSEAS LIMITED

[Signature]
Authorised Signatory

[Signature]

SHAW WALLACE OVERSEAS LIMITED

Notes to the financial statements

	As at 3/31/2016 GBP	As at 3/31/2015 GBP
2.1 Share Capital		
Authorised		
500,000 (2015: 500,000) Shares of GBP 1 each	500,000	500,000
	<u>500,000</u>	<u>500,000</u>
Issued, Subscribed and Paid-up		
357,745 (2015: 357,745) Shares of GBP 1 each	357,745	357,745
	<u>357,745</u>	<u>357,745</u>

a. Reconciliation of the number of shares outstanding

	No. of Shares	3/31/2016	No. of Shares	3/31/2015
Number of shares at the beginning	357,745	357,745	357,745	357,745
Add: shares issued during the year	-	-	-	-
Number of shares at the end	<u>357,745</u>	<u>357,745</u>	<u>357,745</u>	<u>357,745</u>

b. Rights, preferences and restrictions attached to shares

The Company has only one class of shares having a face value of £1.00 per share. Each holder of the shares is entitled to one vote per share.

In the event of liquidation, the shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their holdings.

c. Shares held by holding/ ultimate holding company and/or their subsidiaries/ associates

Particulars	As at March 31, 2016		As at March 31, 2015	
	No of shares		No of shares	
SW Finance Co Ltd (Merged with United Spirits Limited)	357,745		357,745	

f. Details of shareholders holding more than 5% shares in the company

Particulars	As at March 31, 2016		As at March 31, 2015	
	Number of shares	% holding	Number of shares	% holding
SW Finance Co Ltd (Merged with United Spirits Limited)	357,745	100.00%	357,745	100.00%

2.2 Reserves and Surplus

Debit balance as per Statement of Profit and Loss

As per last Balance Sheet

Less: Profit for the year

Less: Appropriations:

(149,412)		(157,150)
2,640		7,738
<u>(146,772)</u>		<u>(149,412)</u>
	<u>(146,772)</u>	<u>(149,412)</u>

SHAW WALLACE OVERSEAS LIMITED

Notes to the financial statements

	As at 3/31/2016 GBP	As at 3/31/2015 GBP
2.3 Other long term liability		
United Spirits (Great Britain) limited	2,030	-
USL Holdings Ltd	4,979	4,812
	7,009	4,812

SHAW WALLACE OVERSEAS LIMITED

Notes to the financial statements

	As at 3/31/2016 GBP	As at 3/31/2015 GBP
2.4 Other Current Liabilities		
Other Liabilities	6,884	9,931
	6,884	9,931

SHAW WALLACE OVERSEAS LIMITED

Notes to the financial statements

	As at 3/31/2016 GBP	As at 3/31/2015 GBP
2.5 Long term Loans and Advances		
(Unsecured, considered good unless stated otherwise)		
Loans and Advances to Related Parties: Medowell & Co (Scotland) Ltd	<u>150,757</u>	<u>150,757</u>
	<u>150,757</u>	<u>150,757</u>

SHAW WALLACE OVERSEAS LIMITED

Notes to the financial statements

	As at 3/31/2016 GBP	As at 3/31/2015 GBP
2.6 Cash and Cash Equivalents		
Balances with Banks:		
In Current accounts:	74,109	71,188
	<u>74,109</u>	<u>71,188</u>
2.7 Short-Term Loans and Advances		
(Unsecured, considered good unless stated otherwise)		
Considered Good	-	1,131
Considered Doubtful		
	<u>-</u>	<u>1,131</u>
Less: Provision for Doubtful Advances	-	-
	<u>-</u>	<u>1,131</u>

SHAW WALLACE OVERSEAS LIMITED

Notes to the financial statements

	As at 3/31/2016 GBP	As at 3/31/2015 GBP
2.8 Other Income		
Interest Income	4,732	4,793
Miscellaneous		4,639
	4,732	9,432

SHAW WALLACE OVERSEAS LIMITED

Notes to the financial statements

	As at 3/31/2016 GBP	As at 3/31/2015 GBP
2.9 Other Expenses		
Legal and Professional	1,146	750
	<u>1,146</u>	<u>750</u>

1. Significant Accounting Policies

i. Basis of Preparation and Presentation :

The financial statements have been prepared in conformity with the accounting principles generally accepted in India. In particular, these financial statements have been prepared in compliance with the mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014.

The financial statements have been prepared to facilitate the consolidation of the financial statements of the Indian holding company in accordance with the accounting standard AS – 21, Consolidated Financial Statements.

The financial statements are prepared under the historical cost convention, on going concern basis and on the accrual basis of accounting, unless otherwise stated. The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

ii. Impairment of Assets :

The carrying amounts of assets are reviewed at each balance sheet date. If there is any indication of impairment based on internal/external factors, an impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use.

iii. Revenue recognition:

All revenues are generally recognized on accrual basis except where there is an uncertainty of ultimate realization.

iv. Foreign Currency Transactions:

Foreign currency transactions during the year are recorded at the exchange rate prevailing on the date of the transaction. Foreign currency denominated monetary items are translated into the reporting currency at the closing rates of exchange prevailing at the date of the balance sheet. Non-monetary items, which are carried in terms of historical cost denominated in foreign currency, are reported using

exchange rate at the date of the transaction. Exchange differences arising on the settlement of monetary items at rates different from those at which they were initially recorded, are recognized as income or as expenses in the year in which they arise.

v. Tax expense:

Tax expense comprises of current and deferred tax. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the laws prevailing in United Kingdom. Deferred income taxes are recognized for the future tax consequences attributable to timing differences between the financial statement determination of income and their recognition for tax purposes. The effect on deferred tax assets and liabilities of a change in tax rates is recognised in income using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Unrecognised deferred tax assets of earlier year are re-assessed and recognised to the extent that it has become reasonably certain that future taxable income will be available against which deferred tax assets can be realized.

vi. Provisions and contingencies:

A provision is recognised when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on management estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

vii. Earnings per share

The earnings considered in ascertaining the Company's earnings per share comprise the net profit after tax. The number of share used in computing basic earnings per share is the weighted average number of shares outstanding during the year. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share, and also the weighted average number of shares, if any which would have been issued on the conversion of all dilutive potential equity shares. The number of shares and potentially dilutive shares are adjusted for the bonus and sub-division of shares.

viii. Segment reporting

Business segments are defined as a distinguishable component of an enterprise that is engaged in providing a group of related products and services and that is subject to differing risks and returns and about which separate financial information is available. This information is reviewed and evaluated regularly by the management deciding how to allocate resources and in assessing the performance.

For the period under reference the company considers all its activities as relating to a single business segment and relating to a single geographical area.

Notes to the financial statements for the year ended March 31, 2016

2.10 Related Party Disclosures :

i) List of related parties :

Sl. No.	Name of the related party	Nature of relationship
1.	United Spirits Limited	Holding Company
2.	Palmer Investment Group Limited	Fellow Subsidiary
3.	Montrose International S.A.	Fellow Subsidiary
4.	UB Sports Management Overseas Ltd (Formerly known as JHL Nominees Limited)	Fellow Subsidiary
5.	USL Holdings (UK) Limited	Fellow Subsidiary
6.	USL Holdings Limited	Fellow Subsidiary
7.	United Spirits (Great Britain) Limited	Fellow Subsidiary
8.	United Spirits (UK) Limited	Fellow Subsidiary
9.	United Spirits Nepal Private Limited	Fellow Subsidiary
10.	Asian Opportunities and Investments Limited	Fellow Subsidiary
11.	McDowell (Scotland) Limited	Fellow Subsidiary
12.	SW Finance Co Limited *	Holding Company
13.	Four Seasons Wines Limited	Fellow Subsidiary
14.	Chapin Landias S.A.S **	Fellow Subsidiary
15.	Liquidity Inc.	Fellow Subsidiary
16.	Bouvet Ladubay S.A.S **	Fellow Subsidiary
17.	Royal Challengers Sports Pvt Ltd	Fellow Subsidiary
18.	United Spirits Shanghai Trading Co Ltd	Fellow Subsidiary
19.	Wine Soc. of India Private Limited	Associate

20.	UB Distilleries	Associate
21.	Tern Distilleries Private Limited	Fellow Subsidiary
22.	Sovereign Distilleries Limited	Fellow Subsidiary
23.	Pioneer Distilleries Limited	Fellow Subsidiary
24.	United Spirits Singapore Pte Limited	Fellow Subsidiary
25.	Relay B. V	Promoter of holding company
26.	United Breweries (Holdings) Limited	Promoter of holding company
27.	Diageo India Private Limited	Promoter of holding company
28.	Diageo Scotland Limited	Promoter of holding company
29.	Diageo Plc	Promoter of holding company
30.	Diageo Singapore Supply Pte Ltd	Promoter of holding company
31.	Kingfisher Finvest India Limited	Promotor of holding company
32.	Diageo Brands BV	Promotor of holding company
33.	Diageo Vietnam	Promotor of holding company
34.	Diageo Great Britain Limited	Promotor of holding company
35.	Diageo Australia Limited	Promotor of holding company
36.	Diageo North America, Inc	Promotor of holding company
37.	Diageo Singapore Pte. Limited	Promotor of holding company
38.	Guinness Nigeria Limited	Promotor of holding

		company
39.	Diageo Ireland	Promotor of holding company

*Merged with United Spirits Limited effective 15.09.2015

**Ceased to be fellow subsidiary effective 18.11.2015.

(ii) Related Party Transactions:

Sl. No.	Nature of Transactions :	2016	2015
1	Holding Company :		
	Share Capital	GBP 357,745	GBP 357,745
2	Loans and advances		
	McDowell & Co (Scotland) Limited	GBP 150,757	GBP 150,757
3.	Unsecured Loans		
	USL Holdings	GBP 4,979	GBP 4,812
	United Spirits Great Britain	GBP 2,030	-

2.11 Cash Flow :

Cash flow statement is prepared using the indirect method of cash flow statement and in accordance with AS 3 – Cash Flow Statements.

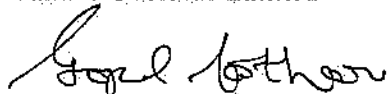
2.12 Contingent Liabilities:

All known liabilities, wherever material, are provided for and liabilities, which are material and whose future outcome cannot be ascertained with reasonable certainty, are treated as contingent.

2.13 Figures are rounded off to the nearest reporting currency.

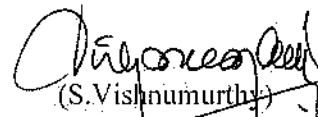
2.14 Previous year figures have been regrouped where ever necessary.

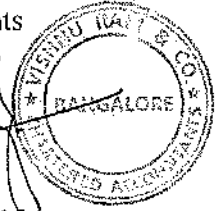
For and on behalf of the Board of Directors
of Shaw Wallace Overseas Limited


Authorised Signatory

Place : Bangalore
Date : 21/05/2016

Per our report of even date
For Vishnu Ram & Co.
Chartered Accountants


(S. Vishnumurthy)
Proprietor
Membership no: 22715



Firm Registration No. 004742S

VISHNU RAM & CO.,
CHARTERED ACCOUNTANTS

To

The Board of Directors,
Shaw Wallace Overseas Limited

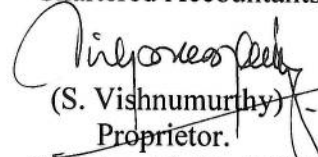
1. This has reference to your letter dated 17.04.2016 requesting us to carry out an audit of and report on the financial statements of **Shaw Wallace Overseas Limited** (“the company”), which is a subsidiary of United Spirits Limited, Bangalore.
2. Accordingly, we have audited the attached Balance Sheet of the company as at 31st March 2016, and also the Statement of Profit and Loss and the Cash Flow Statement for the year ended 31st March 2016 annexed thereto. These financial statements are your responsibility. Our responsibility is to express an opinion on these financial statements based on our audit.
3. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
4. We report that;
 - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - ii. The Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - iii. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes thereon, give a true and fair view in conformity with accounting principles generally accepted in India;
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31-03-2016, and
 - (b) in the case of the Statement of Profit and Loss of the **Profit** for the year ended 31-3-2016 and

VISHNU RAM & CO.,
CHARTERED ACCOUNTANTS

(c) in the case of cash flow statement, of the cash flows for the year ended 31-3-2016

Place: Bangalore
Date : 21-05-2016

For Vishnu Ram & Co.,
Chartered Accountants,


(S. Vishnumurthy)
Proprietor.

Membership No.22719

Firm Registration No.004742S

