

**UNITED SPIRITS SINGAPORE PTE
LIMITED**

FINANCIAL STATEMENTS

FOR THE PERIOD ENDED

March 31, 2016

United Spirits Singapore Pte Ltd

Balance Sheet as at March 31, 2016

	Note No	As At 31-03-2016 USD	As At 31-03-2015 USD
I. Equity and Liabilities			
1. Shareholders' Funds			
a. Share Capital	2.1	1	1
b. Reserves and Surplus	2.2	(158,637)	(182,246)
2. Current Liabilities			
a. Trade Payables	2.3	6,148,231	11,907,611
b. Other Current Liabilities	2.4	348,964	586,005
		6,338,559	12,311,371
II. Assets			
1. Non-current Assets			
a. Fixed Assets			
i. Tangible Assets	2.5	5,594	16,727
2. Current Assets			
a. Inventories	2.6	-	396,729
b. Trade Receivables	2.7	5,345,527	10,853,218
c. Cash and Cash Equivalents	2.8	954,239	978,827
d. Short term Loans and Advances	2.9	33,199	65,870
		6,338,559	12,311,371

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

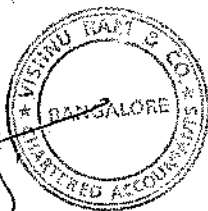
S. Vishnumurthy
Proprietor

Membership Number: 22715

Firm Registration Number: 004742S

Place: Bangalore

Date: 21/05/2016



For and on behalf of the board of directors of
United Spirits Singapore Pte Ltd

Authorised Signatory

United Spirits Singapore Pte Ltd

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


	Note No	For the year ended 31-03-2016 USD	For the year ended 31-03-2015 USD
I. Revenue			
a. Revenue from Operations	2.10	16,304,901	25,935,230
b. Less: Excise Duty		-	-
		16,304,901	25,935,230
c. Other Income		4,895	-
		<u>16,309,796</u>	<u>25,935,230</u>
II. Expenses			
Purchase of Traded Goods		13,254,705	20,351,133
Employee Benefits expense	2.11	935,533	824,708
Finance Costs	2.12	-	2,379
Depreciation & Amortisation Expense		10,956	11,778
Other expenses	2.13	2,084,993	4,899,747
		<u>16,286,187</u>	<u>26,089,745</u>
III. Profit/(Loss) before taxation		23,609	(154,515)
a. Tax Expense:			
i. Current Tax		-	-
ii. Deferred Tax Charge / (Credit)		-	-
IV. Profit/(Loss) for the year		<u>23,609</u>	<u>(154,515)</u>
Basic / Diluted Earnings Per Share (Face value of \$ 1 each)		23,609	(154,515)

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS

1 & 2

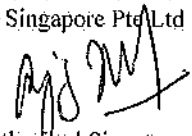
This is the Statement of Profit and Loss referred to in our report of even date

For Vishnu Ram & Co
Chartered Accountants


S. Vishnumurthy
Proprietor
Membership Number: 22715
Firm Registration Number: 004742S



For and on behalf of the board of directors of
United Spirits Singapore Pte Ltd


Authorized Signatory

Place: Bangalore

Date: 21/05/2016

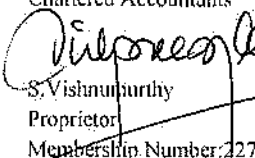
United Spirits Singapore Pte Ltd

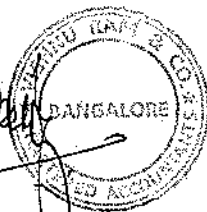
Cash Flow statement for the year ended March 31, 2016

	For the year ending 31-03-2016 USD	For the year ending 31-03-2015 USD
A. Cash Flow from operating activities		
Profit/(Loss) before taxation	23,609	(154,515)
Adjustments for:		
Depreciation	10,956	11,778
Profit on sale of Fixed Assets	(4,895)	
	<u>6,061</u>	<u>11,778</u>
Operating profit before working capital changes	<u>29,670</u>	<u>(142,737)</u>
(Increase)/decrease in Trade and other receivables	5,540,362	(2,516,985)
(Increase)/decrease in Inventories	396,729	179,661
Increase/(decrease) in Trade payables	(5,996,422)	2,310,018
	<u>(59,331)</u>	<u>(27,306)</u>
Cash used in operations	<u>(29,661)</u>	<u>(170,043)</u>
Direct taxes paid	-	-
Net Cash used in operations	<u>(29,661)</u>	<u>(170,043)</u>
B. Cash Flow from investing activities		
Sale of fixed assets	5,073	(3,093)
Net cash generated from investing activities	<u>5,073</u>	<u>(3,093)</u>
Net (Decrease)/ Increase in cash and cash equivalents	<u>(24,588)</u>	<u>(173,136)</u>
Cash and cash equivalents as at March 31, 2015	978,827	1,151,963
Cash and cash equivalents as at March 31, 2016	<u>954,239</u>	<u>978,827</u>
	<u>(24,588)</u>	<u>(173,136)</u>

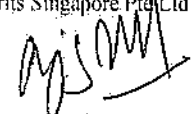

This is the Cash Flow Statement referred to in our report of even date.

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
United Spirits Singapore Pte Ltd


Authorized Signatory


Place: Bangalore
Date: 21/05/2016

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

	As At 31-03-2016 USD	As At 31-03-2015 USD
2.1 Share Capital		
Authorised		
1 (2015: 1) Share of USD 1 each	1	1
	<u>1</u>	<u>1</u>
Issued, Subscribed and Paid-up		
1 (2015: 1) Share of USD 1 each	1	1
	<u>1</u>	<u>1</u>

a. Reconciliation of the number of shares outstanding

	No. of Shares	Amount	No. of Shares	Amount
Number of shares at the beginning	1		1	
Add: shares issued during the year				
Number of shares at the end	1		1	

b. Rights, preferences and restrictions attached to shares

The Company has only one class of shares having a face value of \$ 1/- per share. Each holder of the shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting.

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	March 31, 2016	March 31, 2015
	No of shares	No of shares
Asian Opportunities and Investments Limited	1	1

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

Particulars	March 31, 2016		March 31, 2015	
	No of shares	%	No of shares	%
Asian Opportunities and Investments Limited	1	100%	1	100%

2.2 Reserves and Surplus

Debit balance as Statement of Profit and Loss

As per last Balance Sheet

Profit/(Loss) for the year

(182,246)	(27,731)
23,609	(154,515)
<u>(158,637)</u>	<u>(182,246)</u>

United Spirits Singapore Pte Ltd

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

	<u>As At</u> <u>31-03-2016</u> <u>USD</u>	<u>As At</u> <u>31-03-2015</u> <u>USD</u>
2.3 Trade Payables		
Sundry Creditors	6,148,231	11,907,611
	<u>6,148,231</u>	<u>11,907,611</u>
2.4 Other Current Liabilities		
Advance received from Customers	150,097	379,968
Other Liabilities	198,867	206,037
	<u>348,964</u>	<u>586,005</u>

United Spirits Singapore Pte Ltd

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

2.5 Tangible assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at March 31, 2015	Additions	Deletion/ Adjustments	As at March 31, 2016	As at March 31, 2015	For the year	Deletion/ Adjustments	As at March 31, 2016	As at March 31, 2016	As at March 31, 2015
Furniture and Fixture	28,505	-	197	28,308	11,778	10,956	20	22,714	5,594	16,727
	28,505	-	197	28,308	11,778	10,956	20	22,714	5,594	16,727

Figures in USD

United Spirits Singapore Pte Ltd

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

	As At 31-03-2016 USD	As At 31-03-2015 USD
2.6 Inventories		
(Valued at lower of Cost and Net Realisable Value)		
Finished goods (including goods in transit)	-	396,729
	-	396,729
2.7 Trade Receivables		
(Unsecured, considered good unless stated otherwise)		
Exceeding six months:		
Considered Good	-	-
Considered Doubtful	-	38,341
	-	38,341
Others: Considered Good	5,345,527	10,853,218
	5,345,527	10,891,559
Less: Provision for Doubtful Debts	-	38,341
	5,345,527	10,853,218
2.8 Cash and Cash Equivalents		
Balances with Banks:		
In Current accounts	954,239	978,827
	954,239	978,827
2.9 Short Term Loans and Advances		
(Unsecured, considered good unless stated otherwise)		
Advance Income Tax (Net of Provisions)	-	4,463
Loans and advances to Employees	7,575	12,730
Pre-paid Expenses	25,624	48,677
	33,199	65,870

United Spirits Singapore Pte Ltd

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

	As At 31-03-2016 USD	As At 31-03-2015 USD
2.10 Revenue from Operations		
Sales (Gross)	13,257,012	21,259,242
Income from Royalty	2,512,324	3,330,855
Freight recovery	535,565	1,339,511
Miscellaneous income	-	5,622
	16,304,901	25,935,230

United Spirits Singapore Pte Ltd

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

	As At 31-03-2016 USD	As At 31-03-2015 USD
2.11 Employee Benefit Expenses		
Salaries and Wages	935,533	824,708
	<u>935,533</u>	<u>824,708</u>
2.12 Finance Cost		
Exchange Loss (Net)	-	2,379
	<u>-</u>	<u>2,379</u>
2.13 Other Expenses		
Power and Fuel	2,888	5,913
Rent	40,962	66,534
Repairs and Maintenance:		
Buildings	8,422	10,696
Rates and Taxes	(529)	3,634
Insurance	5,610	3,685
Travelling and Conveyance	42,819	78,488
Legal and Professional	42,423	147,217
Freight Outwards	29,498	1,373,737
Advertisement and Sales Promotion	484,568	44,070
Royalty/ Brand Fee/ Trade Mark Licence Fees	1,386,740	3,063,086
Directors' Remuneration:	3,537	
Bad Debts and Advances Written Off	(38,341)	38,341
Others	76,396	64,346
	<u>2,084,993</u>	<u>4,899,747</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. Dividend from investment in shares is recognized when the company's right to receive the amount is established.

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 recognised 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 tax laws of Singapore. Deferred income taxes are recognised 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. Investments:

Investments are stated at cost including brokerage, fees, duties, and borrowing costs till the date of acquisition and other expenses directly attributable to the acquisition of the investment. Current investments are shown at lower of cost and fair value. Permanent declines in the value of long-term investments are recognized. Temporary declines in the value of long-term investments are ignored.

vii. 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.

viii. 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.

ix. Fixed Assets and Depreciation:

Fixed assets are stated at cost less accumulated depreciation. The company capitalises all direct costs relating to the acquisition and installation of fixed assets. Advances paid towards the acquisition of fixed assets outstanding at each balance sheet date and the cost of fixed assets not ready to use before such date are disclosed under "Capital work-in-progress and advances".

Depreciation is computed using straight line method, at the rates specified under rule II of the Indian Companies Act 2013. Depreciation for assets purchased during a period is proportionately charged.

x. 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 financial statements for the year ended March 31, 2016

2.12 Related Party Disclosures :

i) List of related parties:

Sl. No.	Name of the related party	Nature of relationship
1.	United Spirits Limited	Ultimate 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 JIHL 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	Holding company
11.	Shaw Wallace Overseas Limited	Fellow Subsidiary
12.	SW Finance Co Limited *	Fellow Subsidiary
13.	Four Seasons Wines Limited	Fellow Subsidiary
14.	Chapin Landais **	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.	Tern Distilleries Private Limited	Fellow Subsidiary
21.	Sovereign Distilleries Limited	Fellow Subsidiary

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

*Merged with United Spirits Limited effective 28.09.2015

**Ceased to be fellow subsidiary effective 18.11.2015

ii) Related Party Transactions :

Sl. No.	Nature of Transactions :		
		31.03.16	31.03.15
1	Holding Company :		
	Share Capital	USD 1	USD 1
2.	Payables		

	United Spirits Limited	USD 6,118,771	USD 11,875,976
3	Purchases		
	United Spirits Limited	USD 12,962,445	USD 18,188,333

2.13 Cash Flow :

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

2.14 ContingentLiabilities:

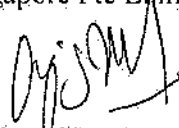
All known liabilities, wherever material, are provided for and liabilities, which are material and whose future outcome cannot be ascertained with reasonable certainty, are treated as contingent.

2.15 The financial statements have been prepared on the going concern basis on the continued support of the company’s parent, United Spirits Limited.

2.16 Figures are rounded off to the nearest reporting currency.

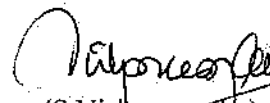
2.17 Previous ear figures have been regrouped where ever necessary.

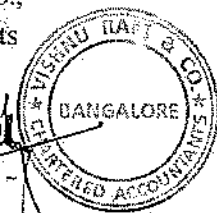
For and on behalf of the Board of Directors
of United Spirits Singapore Pte Limited


Authorised Signatory

Place : Bangalore
Date : 21/05/2016

Per our report of evendate
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,
United Spirits Singapore Pte 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 **United Spirits Singapore Pte 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. Emphasis of matter

The company has prepared its financial statements on going concern basis relying upon the letter of financial support given by its holding company/ultimate holding company.

5. We report that;

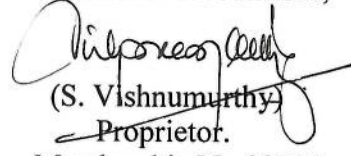
- i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
- ii. The Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
- 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;

VISHNU RAM & CO.,
CHARTERED ACCOUNTANTS

- (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
- (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.22715
Firm Registration No.004742S

