

DIAGEO

INDIA

United Spirits Limited

Registered Office:
UB Tower
#24 Vittal Mallya Road
Bengaluru 560 001

Tel: +91 80 2221 0705
Fax: +91 80 3985 6862
www.diageoindia.com

August 22, 2019

National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G
Bandra Kurla Complex, Bandra (East)
Mumbai - 400 051

BSE Limited
(Regular Office & Corporate Relations Dept)
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai - 400 001

Sub: Disclosure under Regulation 30, read with Part A of Schedule III of the SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015 of proceeding of 20th Annual General Meeting held on August 21, 2019

Pursuant to the requirements of Regulation 30 read with Part A of Schedule III of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we forward herewith a copy of the Proceedings of the 20th Annual General Meeting (AGM) of the Company held on August 21, 2019.

Pursuant to Para 13 of SEBI circular (CIR/CFD/CMD/4/2015) dated September 09,2015 we provide following details:

13.1 Date of the meeting: August 21, 2019

13.2 Brief details of items deliberated and results thereof: Please refer to the Proceedings of the AGM enclosed

13.3 Manner of approval proposed for certain items: Remote e-voting and e-voting at the meeting venue

Voting results and Scrutinizer's Report have been uploaded on Stock exchanges' websites separately.

Kindly acknowledge the receipt and take note of the above on your record.

Thanking you,

Yours faithfully

for **United Spirits Limited**


V Ramachandran
Company Secretary

Enclosed as above



UNITED SPIRITS LIMITED
 Regd. Office: UB Tower, #24, Vittal Mallya Road, Bangalore 560 001
 Corporate Identity Number: L01551KA1999PLC024991
 Phone: 080 3985 6500; Fax: 080 3985 6862, Website: www.diageoindia.in
 Email: investors.india@diageo.com

PROCEEDINGS OF THE TWENTIETH ANNUAL GENERAL MEETING OF THE MEMBERS OF THE COMPANY HELD ON WEDNESDAY, AUGUST 21, 2019 AT 3.30 P.M. AT THE VIVANTA BY TAJ, M G ROAD, BANGALORE - 560 001.

Present:	
MR. MAHENDRA KUMAR SHARMA	Chairman & Independent Director
MR. ANAND KRIPALU	Managing Director and Chief Executive Officer
MR. SANJEEV CHURIWALA	Executive director and chief Financial Officer
MR. V K VISWANATHAN	Independent Director and Audit Committee Chairman
DR.(MRS) INDU SHAHANI	Independent Director and Chairperson of Nomination and Remuneration Committee
MR. D SIVANANDHAN	Non-Executive independent Director and Chairman of Stakeholder Relationship and General Committee
AND	
	MEMBERS PRESENT IN PERSON - 197 AND
	MEMBERS THROUGH PROXY - 4

In terms of Article 132 of the Articles of Association of the Company, Mr. Mahendra Kumar Sharma, Chairman, to take the Chair and call the Meeting to Order after ascertaining the requisite quorum being met.

Chairman welcomed the Members and introduced the Directors/executives presented on the dais.

He said that four of our Board members viz., Mr. Rajeev Gupta, Mr. John Thomas Kennedy, Mr. Vinod Rao and Mr. Randal Ingber had expressed their inability to attend this meeting due to their prior engagements.

Then the Chairman read his speech, which is reproduced below:

Quote

"Ladies and Gentlemen,

I extend a warm welcome to all of you at this twentieth Annual General Meeting of your Company. Before we commence the official proceedings, I would like to update you on the events of the past year, the key financial performance metrics of your Company, a brief overview on the macro economic scenario and outlook and about the challenges before the Company and the industry.

On a transformational journey since the last few years, your Company is powered by the vision to become the best performing, most trusted and respected consumer goods Company in India. We have a strategic roadmap, founded on four strategic pillars, to steer its future growth trajectory. The four pillars underpinning the company's growth are:

- To Drive Aggressive Market Share gain and category growth
- To Unlock pricing
- To Drive disruptive cost take outs to deliver profitable growth
- To Create a Winning organization

Your Company is the largest spirits manufacturing company in India and the second largest (by volume) globally, with a strong portfolio of trusted brands across categories. As the world's second most populous nation and fastest growing economy with rising aspirations of the people, opportunity for growth in the Indian spirits market remains attractive. Your Company has a strong footprint with access to about 50 manufacturing facilities (including Third Party Manufacturing Units) spread across majority of states and union territories in India, enabling faster turnaround of products and reduction in risk exposure related to changes in state policy.

During the year ended March 31, 2019 while overall net sales increased by 10%, we achieved excellent growth in Luxury Segment that provided great uplift to price mix. Sales growth in the segment was supported by the continued success of brand renovations including that of McDowell's No. 1 whiskey Platinum, Royal Challenge and Signature. The segment reported 12% (Vs 3% last year) volume growth. Power brands like McDowell's No. 1. Whiskey, Royal Challenge and Signature delivered robust net sales growth largely driven by purpose led campaigns and bespoke consumer winning activations. You will be glad to note that our company maintained its gross margin of 48% and improved profit after tax to Rs 658 crores primarily driven by premiumization, increased volume, improved sales mix, interest cost reduction and operational efficiencies. The above performance coupled with stringent corporate governance, disclosure and compliance norms followed by the Company has helped in maintaining our long-term credit rating to AA+, which enables us to access more economical sources of debt. It is our continuous endeavour to de-leverage the Balance Sheet and reduce the overall size of the debt and to optimise finance costs through improved performance and disposal of non-core assets. The Company was also rated CGR-2 by ICRA, which reflects our rigorous adherence to strong corporate governance and financial management practices.

It may not be necessary for me to dwell upon the financials as we have laid out the financial statements as part of the annual report for the year.

The recently concluded general elections, that brought the ruling party back to power with an overwhelming mandate, promises stability and accelerated economic reforms for the world's fastest growing economy. This augurs well for our long-term business prospects, as we believe strong economic fundamentals along with higher purchasing power will collectively drive consumption led growth. However, frequent and non-harmonised policy changes faced by India's beverage alcohol industry along with limitations on pricing freedom, remains



challenging. While we will continue to work with states to enable a stable policy framework, one that is fair to all stakeholders, we look to the new government at the Centre to roll-out policies aimed at enhancing ease of doing business for our sector. After all, making Indian manufacturing industry more competitive is an important part of the 'Make in India' initiative. As we look back at the last five years, I am proud to say that we have made these achievements despite multiple challenges faced by India's beverage alcohol industry. The Supreme Court's highway ban, GST implementation, impact of restrictions being imposed on the industry due to general elections during the year and the uncertainty caused by route to market changes in certain states this year, disrupted the industry. However, these big changes are now behind us, ushering in what we believe will be a more stable environment next year. The rigid limitations on pricing freedom of our products across most States continues to be a dampener on our performance even though we seek to mitigate the challenge by judicious cost control.

As a responsible corporate citizen your Company is promoting responsible drinking in the Society and aiding some of the NGOs who are helping in educating the younger population on responsible drinking and in de-addiction.

The foundation for the next phase of Diageo India's performance trajectory is strong. However, though many of the legacy issues are behind us, we still need to resolve some of the legacy issues to achieve our true potential, reduce our financial leverage by repaying interest bearing debt and unlock value by disposing off noncore or surplus assets. We are determined to make India the crown jewel for Diageo and a prestigious Company whose shares you will be proud to own.

Your Company has taken various other initiatives as part of its commitment to the welfare of the society at large and met its CSR spending requirement more than the amount which the Company was bound to spend as mandated by CSR Rules. I feel proud to state herein some of the initiatives taken by your Company on CSR and sustainability front.

a) On Health and Water:

We have enabled setting up of Water ATM along with Chiller plant installation, Pond Renovation and Water replenishment work in remote locations, establishment of Health and Wellness Centre.

b) On Education

We have created awareness on road safety, capacity building training of Police officials, curbing underage drinking by life skill programs, skill development training for the female youths and engaging youths in alternate livelihood activities.

c) Other initiatives

In addition, we have given support for various sports tournaments, plantation drive, women's empowerment, disaster relief and to renewable energy.

d) On Sustainability:

Your Company's sustainability principles are aligned to the UN Global Compact goals, where we are long term partners. Our efforts focus on recycling water, solid waste management, greenbelt development with

treated wastewater, biogas power generation and solar power installation at select units. We are happy to share the following achievements as part of our continuing sustainability initiatives.

57% improvement in water usage efficiency in direct operations in the last 5 years	60% reduction in water consumption in the last 4 years	84% of our energy needs is supplied by renewable sources in direct operations in the last 4 years	83% reduction in absolute greenhouse gases emitted in direct operations in the last five years
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e) People Front:

Your company's people are its biggest asset. We have been continuously putting our efforts in developing leaders for tomorrow and in achieving inclusion and diversity. During the year under review, following are the key achievements on the people front:

55% of new hires are women	15% overall gender diversity	2,555 dedicated person-days of training and	78% employee engagement score in the Annual Employee Survey
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Your Company has also taken steps to improve the shareholders services by constantly monitoring the investor's grievances and I am happy to inform you that the ratings given by you shareholders, during the year is at 3.59 on a scale of 4. We will continue to strive to improve our services on a continuous basis on this parameter.

I do not want to take much of your time and all the above initiatives and achievements are stated in detail in the Report placed before you.

Lastly, on behalf of the Board of Directors, I take this opportunity to thank all our stakeholders namely, our Shareholders, employees, vendors, Central and State Governments, regulators, banks and communities for their continued support and encouragement.

Unquote:

Chairman informed the shareholders the Registers as per the Statutory Requirements have been laid open at the Meeting.

Chairman sought the permission of the members present as to whether the Notice convening the Meeting can be taken as read. To this member unanimously consented.

Further Chairman informed that in compliance with the provisions of the Companies Act, 2013 read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has provided e-voting facility to the Members of the Company. The e-voting had commenced at 9.00 am on August 18, 2019 and ended at 5.00 pm on August 20, 2019. Mr. Sudhir V Hulyalkar, Company Secretary in Practice (CP-6137), was appointed as the Scrutinizer for scrutinizing the e-voting process and he would be submitting his report after considering the results of voting at this AGM.

Further the Chairman informed the members that to enable those shareholders who did not have access to e-voting facility or who had not exercised their vote through e-voting, opportunity was being given at this meeting for them to vote through on-line facility through 'insta-poll' or in case of any technical glitch also through polling paper which will be distributed upon request to the members pursuant to Section 107 to 109 of the Companies Act, 2013 and the rules framed thereunder.

Chairman informed that as per the Companies Act passing of resolution by show of hands is not permitted.

He further informed that those members who had voted through e-voting facility is not entitled to vote again at this meeting.

He further informed that in case voting was to be done through ballot paper, the Ballot boxes will be kept in the meeting hall, if necessary, and the members could deposit the duly completed polling papers in the box.

After above explanation, the Chairman moved the following items (Except item 5) on the Agenda as per the Notice of the Meeting and Ms. Indu Shahani, Chairperson of the Nomination and Remuneration Committee moved item 5 of the Agenda.

- 1. Adoption of the Audited Financial Statements (including Consolidated Financial Statements) for the financial year ended March 31, 2019, and the Reports of the Directors and Auditors thereon:**
- 2. Appointment of a Director in place of Mr Vinod Rao (DIN 01788921), who retires by rotation and being eligible, offers himself for re-appointment:**
- 3. Re- Appointment of Mr Anand Kripalu (DIN: 00118324) as a Managing Director and Chief Executive Officer of the Company for a further period of three years.**
- 4. Re-Appointment of Mr Sivanandhan Dhanushkodi (DIN: 03607203) as an Independent Director for a further period of five years**
- 5. Re- Appointment of Mr. Mahendra Kumar Sharma (DIN: 00327684) as an Independent Director for a further period of five years**
- 6. Re-Appointment of Mr Rajeev Gupta (DIN: 00241501) as an Independent Director for a further period of five years**

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7. Re-Appointment of Ms Indu Ranjit Shahani (DIN: 00112289) as an Independent Director for a further period of five years

8. Approval for granting loans and guarantees to Pioneer Distilleries Limited

The Chairman invited comments/queries from the Shareholders on the above items.

Queries were received from following shareholders:

- a. Mr. Muralidharan R
- b. Ms. Nirmala Lingappaji
- c. Mr. D R Prakash
- d. Mr. S Ashok Chakravarthi

After answering the queries, Chairman stated that there were no other items to be transacted at this meeting and requested the members who had not cast their votes through e-voting earlier to cast their vote through Insta Poll for which iPads had been kept in the hall.

Later, he called upon Mr. Sudhir V Hulyalkar, Company Secretary in Practice who had been appointed as the Scrutinizer for conducting the poll process at the meeting to supervise the voting and declare the results separately.

He further stated that the combined results of the voting (both e-voting and voting at the meeting) on the above resolutions will be announced within two days at the Registered Office of the Company and the results along with the Scrutinizers Report shall be placed on the website of the Company/ Central Depository Services Limited and will be intimated to the stock exchanges.

After the above deliberations, he declared the meeting as closed and invited the shareholders for high tea arranged outside the meeting hall.

The meeting concluded at 4:30 p.m.



V Ramachandran
Company Secretary