

## Notice of Annual General Meeting

**NOTICE IS HEREBY GIVEN** of the Thirteenth Annual General Meeting of the Members of **UNITED BREWERIES LIMITED** to be held at GOOD SHEPHERD AUDITORIUM, OPP. ST. JOSEPH'S PRE-UNIVERSITY COLLEGE, RESIDENCY ROAD, BANGALORE-560025, on Wednesday, September 26, 2012 at 11.30 a.m. for the following purposes:

1. To receive and consider the Accounts for the year ended March 31, 2012, and the Reports of the Auditors and Directors thereon.
2. To declare a Dividend.
3. To appoint a Director in the place of Mr. A K Ravi Nedungadi, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in the place of Mr. Chugh Yoginder Pal, who retires by rotation and, being eligible, offers himself for re-appointment.
5. To appoint a Director in the place of Mr. Sunil Alagh, who retires by rotation and, being eligible, offers himself for re-appointment.

6. To consider and if thought fit, to pass with or without modification, the following Resolution as an **ORDINARY RESOLUTION**:

**RESOLVED** that Messrs S.R. Batliboi & Associates, Chartered Accountants (Firm Registration No. 101049W), be and are hereby appointed Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting on a remuneration to be fixed by the Board of Directors of the Company, in place of the retiring Auditors, Messrs Price Waterhouse, Chartered Accountants, who are not seeking re-appointment.

### **SPECIAL BUSINESS:**

7. To consider and if thought fit, to pass with or without modification, the following Resolution as an **ORDINARY RESOLUTION**:

**RESOLVED** that in terms of the provisions contained in Section 269, Schedule XIII and other applicable provisions of the Companies Act, 1956, if any, or any other Statutory modification or re-enactment thereof, the re-appointment of Mr. Kalyan Ganguly, as Managing Director of the Company, effective from August 09, 2012 for a period of Five years up to August 08, 2017 be and is hereby approved, on the following terms and conditions:

1	Salary	Rs.1,463,600/- per month with such increments as may be determined by the Board of Directors of the Company, from time to time as per the Rules of the Company.
2	Special Allowance	Rs.731,800/- per month calculated at the rate of 50% of the Basic Salary. This will be taken into account for calculation of Provident Fund, Gratuity, Superannuation Benefits and Performance Evaluation Payment.
3	Personal Allowance	Rs.160,000/- per month in terms of Rules as per entitlement of Managing Director.
4	Performance Evaluation Payment	Of such percentage of Basic Salary plus Special Allowance per annum as may be evaluated by the Management, based on performance, in accordance with the Rules of the Company, in this regard.
5	Performance Incentive Payment	Of such percentage of Basic Salary plus Special Allowance per annum as may be evaluated by the Management, based on performance, in accordance with the Rules of the Company, in this regard.

## Notice (contd.)

6	Long Term Incentive Payment	As per the Rules framed in this regard.
7	Perquisites	
	i) Housing	Company Leased furnished / unfurnished residential accommodation or House Rent Allowance of 50 per cent of salary in lieu thereof.
	ii) Flexible Compensation Package - I & II	Rs.2,76,525/- per month (Comprising of LTA, Soft Furnishing Allowance, Interest Subsidy, cost of Mobile Instrument, Car lease rental value, Fuel, Lunch vouchers, House repairs/maintenance and painting).
	iii) Medical Reimbursement	Expenditure incurred by Mr. Kalyan Ganguly and his family, in accordance with the Rules of the Company.
	iv) Club Fees	Fees of Clubs subject to a maximum of two Clubs. This will include admission and life membership fees.
	v) Insurance	Premium as per the Rules of the Company covered under Group Term Life Insurance/Group Medical Policy and Personal Accident Insurance.
	vi) Provident Fund	Company's contribution to Provident Fund shall be as per the Rules of the Company.
	vii) Superannuation Fund/ Annuity	Company's contribution to Superannuation Fund shall be as per the Rules of the Company.
	viii) Gratuity	Payable in accordance with the Rules of the approved Fund of the Company as applicable.
	ix) Encashment of Leave not availed of	As per the Rules of the Company.
	x) Provision of Cars and telephone at the residence of Mr. Ganguly	In terms of the Rules framed, as per his entitlement, Mr. Ganguly has opted for Car Lease arrangement and the Company pays applicable lease rentals for such cars. Telephone reimbursement at actual and Driver's salary as per Rules of the Company.
	xi) Gas / Water / Electricity / Fuel	Expenditure incurred on gas, water, electricity and fuel shall be reimbursed at actuals.
	xii) Such other benefits, amenities, facilities and perquisites as per the Rules of the Company as applicable to senior executives and as may be permitted by the Board of Directors to the Managing Director and shall be valued as per Income Tax Rules.	

Further **RESOLVED** that the remuneration payable to Mr. Kalyan Ganguly (including salary, special allowance, performance evaluation payment, perquisites, benefits, amenities and facilities) shall be subject to the provisions laid down in Sections 198 and 309 and Schedule XIII of the Companies Act, 1956 or any other Statutory provisions, modification or re-enactment thereof.

Further **RESOLVED** that in the event of absence of inadequacy of Profits in any financial year, the remuneration by way of salary, special allowance, performance evaluation payment, perquisites, benefits, amenities and facilities payable to Mr. Kalyan Ganguly shall be subject to the provisions prescribed under the Companies Act, 1956 and Rules made thereunder or any Statutory modification or re-enactment thereof.

Further **RESOLVED** that, as Managing Director, Mr. Kalyan Ganguly is hereby entrusted with substantial powers of management including execution of various documents / agreements / writings as may be required from time to time and is responsible for the general conduct and management of the business and affairs of the Company subject to the superintendence control and supervision of the Board of Directors of the Company. During his tenure as a Managing Director, Mr. Kalyan Ganguly shall not be liable to retire by rotation.



## Notice (contd.)

8. To consider and if thought fit, to pass with or without modification, the following Resolution as a **SPECIAL RESOLUTION**:

**RESOLVED** that pursuant to the provisions of Section 314(1B) of the Companies Act, 1956 and subject to the approval of the Central Government, consent of the Company be and is hereby accorded for revision in remuneration payable to Mr. Umesh Hingorani, a relative of Dr. Vijay Mallya, Chairman, who continues to hold an office or place of profit as Divisional Vice President – Business Development of the Company on the following revised terms:

1.	Basic Salary / Scale	Rs.1,87,200/- per month. (Promotions and scale of increments beyond the present salary of Rs.1,87,200/- shall be as per the rules of the Company and based on performance). Scale: Rs.1,87,200 – 26,500 – 2,13,700 – 29,700 – 2,43,400/-.
2.	House Rent Allowance	50% of the basic salary per month.
3.	Special Allowance	Rs.27,500/- per month.
4.	Flexible Compensation Package - I	Rs.17,500/- per month (Comprising of LTA, Soft Furnishing Allowance, Interest Subsidy and cost of Mobile Instrument).
5.	Flexible Compensation Package - II	Rs.44,725/- per month (Comprising of Car lease rental value, Fuel, Lunch vouchers, House repairs / maintenance and painting).
6.	Flexible Compensation Package - III	Rs.9,000/- per month (Comprising of Driver's Salary).
7.	Reimbursement of Medical Expenses	At actuals.
8.	Reimbursement of Utility Expenses	At actuals.
9.	Performance Evaluation Payment	Of such percentage of Basic Salary plus Special Allowance per annum as may be evaluated by the Management, based on performance, in accordance with the Rules of the Company, in this regard.
10.	Performance Incentive Payment	Of such percentage of Basic Salary plus Special Allowance per annum as may be evaluated by the Management, based on performance, in accordance with the Rules of the Company, in this regard.
11.	Long Term Incentive Payment	As per the Rules framed in this regard.
12.	Company Assets	Will be entitled to purchase Home Appliances / Personal Computer as per Company Policy up to a Maximum of Rs.1,50,000/-.
13.	Club Membership	Rs.25,000/- maximum (for one Club).
14.	Telephone Expenses	At actuals.
15.	Gratuity, Provident Fund and Superannuation Fund	As per the Rules framed in this regard.
16.	Insurance	Premium as per the Rules of the Company covered under Group Term Life Insurance /Group Medical Policy and Personal Accident Insurance.

Perquisites mentioned above are / shall be as per rules of the Company from time to time based on grade entitlements.

## Notice (contd.)

9. To consider and if thought fit, to pass with or without modification, the following Resolution as an **ORDINARY RESOLUTION**:

**RESOLVED** that pursuant to the provisions of Section 293(1)(d) of the Companies Act, 1956 the Board of Directors of the Company ("the Board") be and is hereby authorized to borrow from any Bank(s) and / or any Public Financial Institution(s) as defined under Section 4A of the Companies Act, 1956 and / or any Foreign Financial Institution(s) and / or any other entity / entities or authority / authorities and / or through suppliers credit, securities, instruments such as Floating Rate Notes, Fixed Rate Bonds, Syndicated Loan, etc., and / or through credit from official agencies and / or by way of Commercial borrowings from the Private Sector window of Multilateral Financial Institutions, either in Rupees or in such other Foreign Currency as may be permitted by Law from time to time, as may be deemed appropriate by the Board for an aggregate amount not exceeding Rs.2,500 Crore or equivalent thereof in Foreign Exchange (inclusive of such premium as may be fixed on the Securities) as may be required in future for the Company's activities and / or for general corporate purposes including Capital Expenditure, Working Capital requirements, strategic investments, any mergers, de-mergers, amalgamations, acquisitions, re-constructions or rearrangements or any other re-organizations as the Board may deem fit for the purpose of the business of the Company, notwithstanding that moneys so borrowed together with the moneys already borrowed by the Company, if any, (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) may exceed the aggregate for the time being of the Paid-up Capital of the Company and its Free Reserves, that is to say, Reserves not set apart for any specified purpose, but so that the total amount of the moneys to be so borrowed together with the moneys already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) shall not exceed Rs.2,500 Crore at any one time.

Further **RESOLVED** that consent and authority be and are hereby given to the Board to do all such acts, deeds, matters and things as it may at its discretion deem fit and proper in the aforementioned premises including, if and when necessary, creation of such mortgage(s) and / or charge(s) in respect of the Securities on the whole or substantially the whole of all or any of the undertaking(s) of the Company as contemplated by Section 293(1) (a) of the Companies Act, 1956 in connection therewith and to perfect and execute all requisite documents or writings for giving effect to this Resolution.

10. 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 whole-time employment of the Company, be paid at the discretion of the Board of Directors, every year a remuneration up to one per cent 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 Committees thereof attended by him/her, and that this Resolution remain in force for a period of five years from the date of this Meeting.

### Registered Office:

"UB TOWER", UB CITY,  
24, Vittal Mallya Road,  
Bangalore-560 001.  
Bangalore, June 08, 2012

By Order of the Board  
**Govind Iyengar**  
Senior Vice President – Legal &  
Company Secretary



## Notice (contd.)



### NOTES:

1. A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a Member of the Company. The proxies, in order to be effective, must be received by the Company not less than 48 hours before the Meeting.
2. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 forms part of this Notice.
3. The Register of Members and the Share Transfer Books of the Company will remain closed on **Tuesday, September 25, 2012 and Wednesday, September 26, 2012.**
4. Members are requested to intimate to the Company's Registrars and Share Transfer Agents viz., **INTEGRATED ENTERPRISES (INDIA) LIMITED** (Formerly known as Alpha Systems Pvt. Ltd.), 30, RAMANA RESIDENCY, 4<sup>TH</sup> CROSS, SAMPIGE ROAD, MALLESWARAM, BANGALORE - 560 003:
  - a. any change in their addresses;
  - b. details about their email address, if any, so that all notices and other statutory documents which are required to be sent to the Members, as per the provisions of the Companies Act, 1956, can be sent to their email addresses, as a measure of "Green Initiative" proposed by the Ministry of Corporate Affairs;
  - c. details about their bank account number, name of bank, branch code and address for payment of dividend electronically, and
  - d. the Nomination facility to be availed by them.
5.
  - a. The unclaimed/unpaid Interim and Final Dividends for the financial year ended March 31, 2006 will be due for transfer to the Investor Education and Protection Fund (IEPF) on 11.10.2012 and 28.09.2013 respectively in terms of Section 205A and 205C of the Companies Act, 1956. Members who have not encashed the Dividend Warrants for the aforesaid Dividends are requested to approach the Registrars and Share Transfer Agents of the Company as no claims shall lie against IEPF or the Company after such transfer of unclaimed Dividend to IEPF.
  - b. Dividend on Equity Shares for the financial year ended March 31, 2012 post its declaration at this Annual General Meeting will be paid to the Members whose names appear:
    - i. as Beneficial Owners as at the close of business hours on Monday, September 24, 2012 as per the list to be furnished by the Depositories in respect of the Shares held in electronic form, and
    - ii. as Members in the Register of Members of the Company as on Wednesday, September 26, 2012 after giving effect to all valid Share transfers in physical form which are lodged with the Company on or before Monday, September 24, 2012.
6. Members holding Shares in the same name or in the same order of names under different Ledger Folio Numbers are requested to apply for consolidation of such Folios to the Company's Registrars and Share Transfer Agents, Integrated Enterprises (India) Limited.
7. Members are requested to:
  - bring their copy of **Annual Report** to the Meeting,
  - bring the **Attendance Slip sent herewith, duly filled in,**
  - bring their **Folio Number / DP and Client ID,** and
  - **avoid being accompanied by non-Members and children.**
8. Members are requested to quote the Folio Number / Client ID / DP ID in all correspondence.
9. Profile of Directors retiring by rotation form part of Corporate Governance Report. Their details are also attached to this Notice for perusal of the Members.
10. **MEMBERS PLEASE NOTE THAT NO GIFTS SHALL BE DISTRIBUTED AT THE MEETING.**



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

**Item No. 6**

Messrs Price Waterhouse, Chartered Accountants, were appointed Auditors of the Company by the Members to hold office from the conclusion of the last Annual General Meeting till the conclusion of the forthcoming Annual General Meeting. Messrs Price Waterhouse, Chartered Accountants, are not seeking re-appointment.

It is proposed that Messrs S.R. Batliboi & Associates, Chartered Accountants, (Firm Registration No. 101049W) who are an internationally renowned firm, be appointed Statutory Auditors of the Company to hold office from the conclusion of the forthcoming Annual General Meeting till the conclusion of the next Annual General Meeting on a remuneration to be fixed by the Board of Directors.

The Resolution under this item seeks approval of the Members for the said appointment of Auditors.

None of the Directors of your Company is concerned or interested in the above Resolution.

Your Directors recommend the above Resolution for your approval.

**Item No. 7**

Mr. Kalyan Ganguly continues to hold the position of Managing Director effective August 09, 2002 and was reappointed for a period of Five Years effective August 09, 2007. Approval of the Central Government for appointment of Mr. Kalyan Ganguly and payment of Remuneration were also received for the first appointment.

Upon an application for revision in terms of his appointment / payment of remuneration, the Central Government vide its letter No. 2/31/2006-CL.VII dated November 9, 2006 had informed that as all the conditions laid down in Schedule XIII of the Companies Act, 1956 and Notification No. G.S.R. 36(E) dated 16<sup>th</sup> January 2002 are satisfied in the case of Mr. Kalyan Ganguly, permission of the Central Government is not required for payment of remuneration. Hence, in view of the adequacy of Profits and various conditions prescribed in Schedule XIII of the Companies Act, 1956 having been satisfied, appointment and payment of Remuneration to Mr. Kalyan Ganguly need not be approved by the Central Government.

Mr. Kalyan Ganguly continues to hold the position of Managing Director in the Company for about 10 years and has vast and rich experience spanning more than 37 years in the Brewery Industry. Prior to this position he was heading the Company in the capacity as President and the Company has grown in all dimensions during his long tenure with the Company.

The Board of Directors of the Company at its Meeting held on June 08, 2012 has approved re-appointment of Mr. Kalyan Ganguly, as Managing Director of the Company for a period of Five Years effective August 09, 2012. Mr. Kalyan Ganguly shall not be liable to retire by rotation.

The relevant Resolution concerning reappointment of Mr. Kalyan Ganguly as Managing Director in the accompanying Notice may be treated as an abstract of the terms and conditions pursuant to Section 302 of the Companies Act, 1956. The Remuneration proposed (including perquisites) shall be paid to Mr. Kalyan Ganguly as minimum Remuneration in the event of Loss or inadequacy of profits in any Financial year.

None of the Directors, other than Mr. Kalyan Ganguly, is concerned or interested in the above Resolution.

Your Directors recommend the above Resolution for your approval.

**Item No. 8**

Mr. Umesh Hingorani, a relative of Dr. Vijay Mallya, was re-appointed as Divisional Vice President – Business Development of the Company for a period of Five Years effective October 01, 2009 upto September 30, 2014. The re-appointment of Mr. Umesh Hingorani was approved by the Central Government vide letter reference SRN No. A75077701-CI.VII dated January 04, 2011. There has been a revision in the Remuneration payable to Mr. Hingorani and approval of Central Government shall be required for payment of such revised remuneration.



## Notice (contd.)



Mr. Umesh Hingorani has been associated with the Company for about two decades and is instrumental in development and growth of Packaged Drinking Water business of the Company. There has been considerable synergy in his leading this segment of business and his effective contribution has fostered the growth of the brand licensing arrangement for Packaged Drinking Water segment of your Company's business.

The Resolution under this item seeks approval of the Members for payment of revised remuneration to Mr. Hingorani.

None of the Directors of your Company except Dr. Vijay Mallya who is a relative of Mr. Umesh Hingorani is concerned or interested in this Resolution.

Your Directors recommend the above Resolution for your approval.

### Item No. 9

The Board of Directors of the Company ("the Board") is authorized pursuant to Section 293(1)(d) of the Act, to borrow moneys in excess of the aggregate of its Paid-up Capital and Free Reserves, subject to the approval of the Members of the Company in General Meeting. Having regard to the business operations of the Company, the Board is of the view that the limit of the borrowing should be increased from the present Rs.1,500 Crore to Rs.2,500 Crore.

The Board is of the opinion that the borrowings will be required to supplement the need for finance for the Company's activities as well as other purposes as set out in the proposed Resolution at Item No.9. The borrowings will be made from such lending Institutions and / or sources and in such manner as set out in the said Resolution following, however, the appropriate guidelines issued by the authority / authorities for the time being in force. Further, creation of any mortgage / charge, if needed in connection with the borrowings, will require consent of the Company in General Meeting under Section 293(1)(a) of the Act.

The proposed Ordinary Resolution will have to be considered in the above context. This is an enabling Resolution so that the Board may borrow funds as and when considered appropriate.

None of the Directors of your Company is in any way concerned or interested in the above Resolution.

Your Directors recommend the above Resolution for your approval.

### Item No. 10

As per Section 309(4) of the Companies Act, 1956 Directors other than Managing or Wholtime Director may be remunerated by way of a Commission, if the Company, by a Special Resolution authorizes such payment. The Commission so paid to such Directors should not exceed one per cent of the Net Profits of the Company if the Company has a Managing or Wholtime Director. In order to enable your Company to pay commission as prescribed (at the discretion of the Board of Directors if it deems fit), which amount such Non-Executive Directors may apportion among themselves in any manner they deem fit, this Special Resolution is proposed for approval of Members. The earlier Special Resolution passed by the Members in this regard expires on September 27, 2012.

All the Non-Executive Directors of your Company are interested in this Resolution to the extent of Commission as and when payable to them.

Your Directors recommend the above Resolution for your approval.

### Registered Office:

"UB TOWER", UB CITY,  
24, Vittal Mallya Road,  
Bangalore-560 001.  
Bangalore, June 08, 2012

By Order of the Board  
**Govind Iyengar**  
Senior Vice President – Legal &  
Company Secretary

## Notice (contd.)

### DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING

PARTICULARS	MR. A K RAVI NEDUNGADI	MR. CHUGH YOGINDER PAL	MR. SUNIL ALAGH
Qualifications	Chartered Accountant & Company Secretary	Graduate in Engineering with First Class (Distinction)	Graduate in Economics (Hons.), MBA
Expertise in specific functional area	Strategic and Financial Planning	Overall Business Management, Operations and MIS	Expertise in Strategic Marketing and Brand building
Date of Appointment	09.08.2002	29.04.2005	29.04.2005
Date of Birth	20.10.1957	06.03.1937	06.11.1946
Directorships held in other Companies in India	i. Sanofi India Limited ii. Bayer CropScience Limited iii. Kingfisher Airlines Limited iv. Shaw Wallace Breweries Limited v. Millenea Vision Advertising (P) Limited vi. Beta Edutech Limited vii. Idea Streamz Consultants Private Limited	i. Induri Farm Limited ii. Maya Entertainment Limited iii. Cadbury India Limited iv. Shriram Pistons & Rings Limited v. Aptech Limited vi. Franchising Association of India vii. Renfro India Private Limited	i. GATI Limited ii. Indofil Industries Limited iii. GATI Import Export Trading Limited iv. SKA Advisors Private Limited
Membership in Committees	<b>Audit Committees</b> i. Kingfisher Airlines Limited ii. Sanofi India Limited iii. Bayer CropScience Limited  <b>Investors' Grievance Committees</b> i. Kingfisher Airlines Limited ii. Sanofi India Limited iii. Bayer CropScience Limited (Chairman)	<b>Audit Committees</b> i. Cadbury India Limited (Chairman) ii. Aptech Limited (Chairman) iii. Shriram Pistons & Rings Limited  <b>Investors' Grievance Committee</b> Cadbury India Limited (Chairman)	<b>Investor's Grievance Committee</b> Indofil Industries Limited (Chairman)

The above details do not include Committee Memberships not prescribed for the purpose of reckoning of limits in terms of Clause 49 of the Listing Agreement. Brief profile of the above Directors also forms part of Corporate Governance Report.