

**CHAPIN LANDIAS S.A**

**FINANCIAL STATEMENTS**

FOR THE PERIOD ENDED

**November 18, 2015**

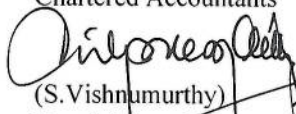
Chapin Landais SAS

Balance Sheet as at November 18, 2015

	Note No	As at 11/18/2015 EURO	As at 3/31/2014 EURO
<b>I. Equity and Liabilities</b>			
<b>1. Shareholders' Funds</b>			
a. Share Capital	2.1	100,000	100,000
b. Reserves and Surplus	2.2	151,704	65,009
<b>2. Non-current Liabilities</b>			
a. Long term provisions	2.3	18,683	18,683
<b>3. Current Liabilities</b>			
a. Trade Payables	2.4	395,697	175,647
b. Other Current Liabilities	2.5	6,880	42,299
c. Short-term provisions	2.6	9,774	9,774
		<b>682,738</b>	<b>411,412</b>
<b>II. Assets</b>			
<b>1. Non-current Assets</b>			
a. Fixed Assets			
i. Intangible Assets		3,430	3,430
b. Long term Loans and Advances		84,786	31,104
<b>2. Current Assets</b>			
a. Inventories	2.7	4,282	4,282
b. Trade Receivables	2.8	193,685	231,932
c. Cash and Cash Equivalents	2.9	40,666	46,013
d. Short term Loans and Advances	2.10	355,888	94,651
		<b>682,738</b>	<b>411,412</b>
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

Firm Registration Number: 004742S

Membership Number: 22715

Place: Bangalore

Date: 21/05/2016



For and on behalf of the board of directors of  
Chapin Landais SAS



Authorized Signatory



Chapin Landais SAS

Statement of Profit and Loss for the period ended November 18, 2015

	Note No	As at 11/18/2015 EURO	As at 3/31/2015 EURO
<b>I. Revenue</b>			
a. Revenue from Operations	2.11	2,029,078	3,612,774
b. Other Income	2.12	56,419	161,583
		<b>2,085,497</b>	<b>3,774,357</b>
<b>II. Expenses</b>			
a. Cost of Materials Consumed	2.13	-	1,627
b. Purchase of Traded Goods		1,740,902	3,350,577
c. Employee Benefits expense	2.14	179,234	318,704
d. Finance Costs	2.15	3,392	6,081
e. Other expenses	2.16	32,275	69,574
		<b>1,955,802</b>	<b>3,746,563</b>
<b>III. Profit before tax</b>		<b>129,695</b>	<b>27,794</b>
a. Tax Expense:			
i. Current Tax		43,000	9,107
ii. Deferred Tax Charge / (Credit)		-	-
<b>IV. Profit after tax</b>		<b>86,695</b>	<b>18,687</b>
<b>V. Earning per share (not annualised)</b>			
i. Basic (Face value of € 20/- each)		17.34	3.74
ii. Diluted (Face value of € 20/- each)		17.34	3.74

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 and on behalf of the board of directors of  
Chapin Landais SAS

For Vishnu Ram & Co  
Chartered Accountants



(S. Vishnumurthy)  
Proprietor  
Membership Number: 22715  
Firm Registration Number: 004742S  
Place: Bangalore  
Date: 21/05/2016

Authorised Signatory

Chapin Landais SAS

Cash Flow statement for the period ended November 18, 2015

	For the period ending 11/18/2015 EURO	For the year ending 3/31/2015 EURO
<b>A. Cash Flow from operating activities</b>		
Profit before taxation	129,695	27,794
<b>Adjustments for:</b>		
Provision for Doubtful Debts/ Advances/ Deposits (Net)	-	3,371
Interest Expense and Finance Charges	3,392	6,081
	<u>3,392</u>	<u>9,452</u>
<b>Operating profit before working capital changes</b>	133,087	37,246
(Increase)/decrease in Trade and other receivables	(222,990)	(81,009)
(Increase)/decrease in Inventories	(0)	(663)
Increase/(decrease) in Trade payables	184,631	68,980
	<u>(38,359)</u>	<u>(12,692)</u>
<b>Cash generated from/(used in) operations</b>	94,728	24,554
Direct taxes paid	(43,000)	(9,107)
<b>Net Cash generated from/(used in) operations</b>	51,728	15,447
<b>B. Cash Flow from investing activities</b>		
<b>C. Cash Flow from financing activities</b>		
Interest and Finance Charges paid	(3,392)	(6,081)
Long term advance given	(53,682)	(8,894)
<b>Net cash generated from/(used in) financing activities</b>	(57,074)	(14,975)
<b>Net (Decrease)/ Increase in cash and cash equivalents</b>	(5,347)	471
<b>Cash and cash equivalents as at March 31, 2015</b>	46,013	45,542
<b>Cash and cash equivalents as at November 18, 2015</b>	<u>40,666</u>	<u>46,013</u>
	<u>(5,347)</u>	<u>471</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: 004742S

Place: Bangalore

Date: 21/04/2016



For and on behalf of the board of directors of  
Chapin Landais SAS

Authorised Signatory

*RSK*

Chapin Landais SAS

Notes to the financial statements

	As at 11/18/2015 EURO	As at 3/31/2015 EURO
<b>2.1 Share Capital</b>		
<b>Authorised</b>		
5,000 (2015: 5,000) Shares of € 20/- each	100,000	100,000
	<u>100,000</u>	<u>100,000</u>
<b>Issued, Subscribed and Paid-up</b>		
5,000 (2015: 5,000) Shares of € 20/- each fully paid up.	100,000	100,000
	<u>100,000</u>	<u>100,000</u>

a. Reconciliation of the number of shares outstanding

	No. of Shares	Amount	No. of Shares	Amount
Number of shares at the beginning	5,000	100,000	5,000	100,000
Add: shares issued during the year				
Number of shares at the end	<u>5,000</u>	<u>100,000</u>	<u>5,000</u>	<u>100,000</u>

b. Rights, preferences and restrictions attached to shares

The Company has only one class of shares having a face value of € 20/- 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 assets remaining 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 November 18, 2015		As at March 31, 2015	
	Number of shares		Number of shares	
Holding Company - Bouvet Ladubay SAS	5,000		5,000	

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

	As at November 18, 2015		As at March 31, 2015	
	Number of shares	% holding	Number of shares	% holding
Bouvet Ladubay SAS	5,000	100%	5,000	100%

2.2 Reserves and Surplus

<b>General Reserve</b>				
As per last Balance Sheet	53,615		53,615	
Add: Addition during the year	-		-	
		53,615		53,615
<b>Capital Reserve</b>				
As per last Balance Sheet	10,000		10,000	
Add: Addition during the year	-		-	
		10,000		10,000
<b>Surplus as per Profit and Loss account</b>				
As per last Balance Sheet	1,394		(17,293)	
Add: Profit for the year	86,695		18,687	
	88,089		1,394	
Less: Appropriations:				
Proposed Dividend	-		-	
		88,089		1,394
		<u>151,704</u>		<u>65,009</u>

Chapin Landais SAS

Notes to the financial statements

	As at 18-Nov-15 EURO	As at 31-Mar-15 EURO
<b>2.3 Long-term Provisions</b>		
Employee Benefits:		
Provision for Shortfall in PF Trust	18,683	18,683
	<u>18,683</u>	<u>18,683</u>

Chapin Landais SAS

Notes to the financial statements

	As at 18-Nov-16 EURO	As at 31-Mar-15 EURO
<b>2.4 Trade Payables</b>		
Acceptances	-	-
Sundry Creditors	395,697	175,647
	<u>395,697</u>	<u>175,647</u>
<b>2.5 Other Current Liabilities</b>		
Advance received from Customers	-	120
Employee payables	6,204	39,274
Sales tax payable	556	1,648
TDS payable	120	1,257
	<u>6,880</u>	<u>42,299</u>
<b>2.6 Short-term Provisions</b>		
Provision for Leave Encashment	9,774	9,774
	<u>9,774</u>	<u>9,774</u>

## Chapin Landais SAS

### Notes to the financial statements

	As at 31-Mar-16 EURO	As at 31-Mar-15 EURO
<b>2.7. Long term Loans and Advances</b>		
Advance to Related parties	84,786	31,104
	<b>84,786</b>	<b>31,104</b>
<b>2.7 Inventories</b> (Valued at lower of Cost and Net Realisable Value)		
Finished goods (including goods in transit)	4,282	4,282
	<b>4,282</b>	<b>4,282</b>
<b>2.8 Trade Receivables</b> (Unsecured, considered good unless stated otherwise)		
Exceeding six months:		
Considered Good	-	-
Considered Doubtful	3,371	-
	<b>3,371</b>	<b>-</b>
Others: Considered Good	193,685	235,303
	<b>197,056</b>	<b>235,303</b>
Less: Provision for Doubtful Debts	3,371	3,371
	<b>193,685</b>	<b>231,932</b>
<b>2.9 Cash and Cash Equivalents</b>		
Balances with Banks:		
In Current accounts	40,565	45,912
Cash on Hand	101	101
	<b>40,666</b>	<b>46,013</b>
<b>2.10 Short Term Loans and Advances</b> (Unsecured, considered good unless stated otherwise)		
Taxes and Duties paid in advance	-	3,792
Pre-paid Expenses	-	5,155
Other Advances		
Considered Good	355,888	85,704
Considered Doubtful		
	<b>355,888</b>	<b>94,651</b>
Less: Provision for Doubtful Advances	-	-
	<b>355,888</b>	<b>94,651</b>



Chapin Landais SAS

Notes to the financial statements

	As at 18-Nov-15 EURO	As at 31-Mar-15 EURO
<b>2.11 Revenue from Operations</b>		
Sales (Gross)	2,029,078	3,612,774
	<u>2,029,078</u>	<u>3,612,774</u>
<b>2.12 Other Income</b>		
Miscellaneous	56,419	164,954
Provision for Bad debts written back	-	(3,371)
	<u>56,419</u>	<u>161,583</u>
<b>2.13 Cost of Materials Consumed</b>		
Raw Materials Consumed	-	(663)
Packing Materials Consumed	-	2,290
	<u>-</u>	<u>1,627</u>

## Chapin Landais SAS

### Notes to the financial statements

	As at 18-Nov-15 EURO	As at 31-Mar-15 EURO
<b>2.14 Employee Benefit Expenses</b>		
Salaries and Wages	132,965	235,908
Contribution to Provident and Other Funds	46,269	82,796
	<u>179,234</u>	<u>318,704</u>
<b>2.15 Finance Cost</b>		
Interest	3,392	6,081
	<u>3,392</u>	<u>6,081</u>
<b>2.16 Other Expenses</b>		
Rent	2,175	4,118
Rates and Taxes	(1,330)	4,623
Legal and Professional	13,668	37,934
Freight Outwards	7,215	15,660
Advertisement and Sales Promotion	9,691	4,809
Others		
Personnel and Administration	711	816
Miscellaneous	144	1,614
	<u>32,275</u>	<u>69,574</u>

## 1. Significant Accounting Policies

### i. Basis of Preparation and Presentation:

The company is incorporated and domiciled in France. The company prepares its Financial Statements in the reporting currency i.e. EURO.

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. 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. Depreciation for assets purchased during a period is proportionately charged.

### iii. 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.

### iv. Revenue recognition:

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

### v. Employees terminal Benefits :

Employee's terminal benefits are provided based on the actuarial Valuation.

vi. Foreign Currency Transactions:

Foreign currency transactions during the year are recorded at the exchange rate prevailing on the date of the transaction. Foreign currencies 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.

vii. 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 France. 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.

viii. 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.

ix. 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.

x. 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.

xi. 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 in 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.

xii. Inventory:

Inventory is stated at lower of cost and net realisable value. Cost of inventory includes all costs incurred in bringing the items to their present location and condition. Cost is determined on FIFO basis.

xiii. Borrowing costs:

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of cost of such assets till such time as the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised as an expense in the period in which they are incurred.

Notes to the financial statements for the year ended November 18, 2015

2.17 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	Fellow Holding Company
11.	Shaw Wallace Overseas Limited	Fellow Subsidiary
12.	SW Finance Co Limited *	Fellow Subsidiary
13.	Four Seasons Wines Limited	Fellow Subsidiary
14.	McDowell Scotland Limited	Fellow Subsidiary
15.	Liquidity Inc	Fellow Subsidiary
16.	Bouvet Ladubay S.A.S	Holding Company
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.	United Spirits Singapore Pte 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 Singapore Supply Pte Ltd	Promoter of holding company
30.	Kingfisher Finvest India Limited	Promotor 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 :	Holding Company 2015	Holding Company 2015
1	Purchases	EURO 1,740,902	EURO 3,339,281
2	Rent paid	NIL	EURO 3,660
3	Accounts Payable	EURO 395,697	EURO 145,984

2.18 Cash Flow:

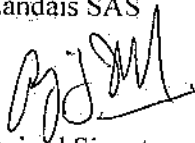
Cash flow statement is prepared using the indirect method of cash flow statement and in accordance with AS 3 – Cash Flow Statements.

2.19 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 .


2.20 Figures are rounded off to the nearest reporting currency.

For and on behalf of the board of directors  
of Chapin Landais SAS

  
Authorised Signatory

Place : Bangalore  
Date : 21/07/2016

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

  
(S. Vishumurthy)  
Proprietor  
Membership no. 22715







**VISHNU RAM & CO.,**  
CHARTERED ACCOUNTANTS

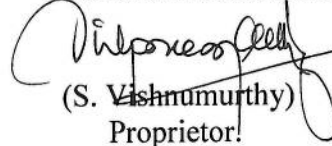
To

The Board of Directors,  
Chapin Landais SAS

1. This has reference to your letter dated 17.04.2016 requesting us to carry out a review of and report on the financial statements of **Chapin Landais SAS** ("the company"), which is a subsidiary of United Spirits Limited, Bangalore.
2. Accordingly, we have reviewed the attached Balance Sheet of the company as at 18<sup>th</sup> November 2015, and also the Statement of Profit and Loss and the Cash Flow Statement for the period ended 18<sup>th</sup> November 2015 annexed thereto. These financial statements are your responsibility. Our responsibility is to issue a report on these financial statements based on our review.
3. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2400, "Engagements to Review Financial Statements" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying financial statements are not prepared in accordance with applicable accounting standards and other recognised accounting practices and policies.

Place: Bangalore  
Date : 21-05-2016

For Vishnu Ram & Co.,  
Chartered Accountants,

  
(S. Vishnumurthy)  
Proprietor.

Membership No.22715  
Firm Registration No.004742S

