

**ASIAN OPPORTUNITIES AND  
INVESTMENTS LIMITED**

**FINANCIAL STATEMENTS**

FOR THE PERIOD ENDED

**March 31, 2016**

Asian Opportunities and Investments Limited

Balance Sheet as at March 31, 2016

	Note No	As At 31-03-2016 USD	As At 31-03-2015 USD
<b>I. Equity and Liabilities</b>			
<b>1. Shareholders' Funds</b>			
a. Share Capital	2.1	4,998,706	4,998,706
b. Reserves and Surplus	2.2	(14,991,666)	(9,137,507)
<b>2. Non-current Liabilities</b>			
a. Long term borrowings	2.3	11,489,446	33,572,069
<b>3. Current Liabilities</b>			
a. Trade Payables	2.4	14,780	13,541
		<b>1,511,266</b>	<b>29,446,809</b>
<b>II. Assets</b>			
<b>1. Non-current Assets</b>			
a. Fixed Assets			
i. Tangible Assets	2.5	1	1
ii. Intangible Assets	2.6	874,771	1,374,641
b. Non Current Investments	2.7	1	27,188,915
<b>2. Current Assets</b>			
a. Cash and Cash Equivalents	2.8	631,212	410,638
b. Short term Loans and Advances	2.9	5,281	472,614
		<b>1,511,266</b>	<b>29,446,809</b>

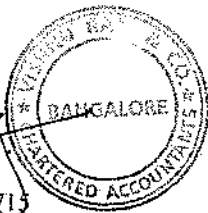
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS

1 & 2

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

For Vishnu Ram & Co  
Chartered Accountants

*S. Vishramurthy*  
S. Vishramurthy  
Proprietor  
Membership Number: 22713  
Firm Registration Number: 004742S  
Place: Bangalore  
Date: 21/05/2016



For and on behalf of the board of directors of  
Asian Opportunities and Investments Limited

*Haral Kothari*  
Haral Kothari  
Authorised Signatory

*AM*

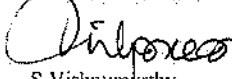
Asian Opportunities and Investments Limited

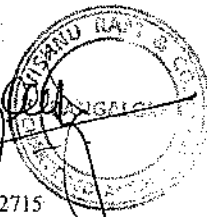
Cash Flow statement for the year ended March 31, 2016

	For the year ending 31-03-2016 USD	For the year ending 31-03-2014 USD
<b>A. Cash Flow from operating activities</b>		
Loss before taxation	(4,210,394)	6,280,333
Adjustments for:		
Depreciation	499,869	499,869
Provision for bad and doubtful debts	467,667	
Unrealised Foreign Exchange Loss / (Gain)	4,879	7,951,700
	<u>972,415</u>	<u>8,451,569</u>
<b>Operating profit before working capital changes</b>	<b>(3,237,979)</b>	<b>14,731,902</b>
(Increase)/decrease in Trade and other receivables	-	-
Increase/(decrease) in Trade-payables	<u>1,239</u>	<u>(4,656)</u>
	<u>1,239</u>	<u>(4,656)</u>
<b>Cash generated from operations</b>	<b>(3,236,740)</b>	<b>14,727,246</b>
Direct taxes paid	(1,643,765)	-
Fringe Benefit taxes paid	<u>(4,880,505)</u>	<u>14,727,246</u>
Exceptional and Other Non-Recurring Items	<u>2,602,348</u>	<u>-</u>
<b>Net Cash used in operations</b>	<b>(2,278,157)</b>	<b>14,727,246</b>
<b>B. Cash Flow from investing activities</b>		
Sale of long term investments	24,586,567	-
<b>Net cash generated from investing activities</b>	<b>24,586,567</b>	<b>-</b>
<b>C. Cash Flow from financing activities</b>		
Proceeds/(Repayment) of long term loans:		
Proceeds		
Repayment	(22,087,502)	(14,697,431)
Loans given	<u>(335)</u>	<u>(26)</u>
<b>Net cash generated from financing activities</b>	<b>(22,087,837)</b>	<b>(14,697,457)</b>
<b>Net (Decrease)/ Increase in cash and cash equivalents</b>	<b>220,574</b>	<b>29,790</b>
<b>Cash and cash equivalents as at March 31, 2015</b>	<b>410,638</b>	<b>380,848</b>
<b>Cash and cash equivalents as at March 31, 2016</b>	<b>631,212</b>	<b>410,638</b>
	<u>220,574</u>	<u>29,790</u>

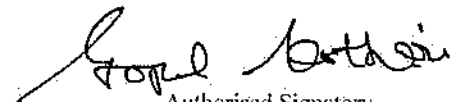
This is the Cash Flow Statement referred to in our report of even date.

For Vishnu Ram & Co)  
Chartered Accountants

  
S. Vishnumurthy  
Proprietor  
Membership Number: 22715  
Firm Registration Number: 0047425



For and on behalf of the board of directors of  
Asian Opportunities and Investments Limited

  
Gopal Bhat  
Authorised Signatory

Place: Bangalore  
21/07/2016

Asian Opportunities and Investments Limited

Statement of Profit and Loss for the year ended March 31, 2015

	Note No	For the year ended 31-03-2016 USD	For the year ended 31-03-2015 USD
<b>I. Revenue</b>			
a. Other Income	2.10	4,879	7,951,700
		<u>4,879</u>	<u>7,951,700</u>
<b>II. Expenses</b>			
Depreciation & Amortisation Expense		499,869	499,869
Finance Costs		85,079	36,667
Other expenses	2.11	1,027,977	1,134,831
		<u>1,612,925</u>	<u>1,671,367</u>
<b>III. Profit/(Loss) before tax and exceptional item</b>		(1,608,046)	6,280,333
Exceptional item - Loss on sale of investments		2,602,348	-
<b>Profit/(loss) before tax</b>		<u>(4,210,394)</u>	<u>6,280,333</u>
a. Tax Expense:			
i. Current Tax		1,643,765	-
ii. Deferred Tax Charge / (Credit)		-	-
<b>IV. Profit/(loss) for the year</b>		<u>(5,854,159)</u>	<u>6,280,333</u>
Basic / Diluted Earnings Per Share (Face value of \$ 1 each)		(1.17)	(0.94)

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS

1 & 2

This is the Profit and Loss Account 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  
Asian Opportunities and Investments Limited

*Govil Kothari*  
Authorised Signatory

*pkh*

Asian Opportunities and Investments Limited

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

	As At 31-03-2016 USD	As At 31-03-2015 USD
<b>2.1 Share Capital</b>		
<b>Authorised</b>		
4,998,706 (2015: 4,988,706) Shares of USD 1 each	4,998,706	4,998,706
	<u>4,998,706</u>	<u>4,998,706</u>
<b>Issued, Subscribed and Paid-up</b>		
4,998,706 (2015: 4,988,706) Shares of USD 1 each	4,998,706	4,998,706
	<u>4,998,706</u>	<u>4,998,706</u>

**a. Reconciliation of the number of shares outstanding**

	No. of Shares	Amount	No. of Shares	Amount
Number of shares at the beginning	4,998,706	4,998,706	4,998,706	4,998,706
Add: shares issued during the year				
Number of shares at the end	<u>4,998,706</u>	<u>4,998,706</u>	<u>4,998,706</u>	<u>4,998,706</u>

**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	%
United Spirits Limited	4,998,706	100%	4,998,706	100%

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

Particulars	March 31, 2016		March 31, 2015	
	No of shares	%	No of shares	%
United Spirits Limited	4,998,706	100%	4,998,706	100%

**2.2 Reserves and Surplus**

Debit balance as Profit and Loss account

As per last Balance Sheet

Loss for the year

(9,137,507)	(15,417,840)
(5,854,159)	6,280,333
<u>(14,991,666)</u>	<u>(9,137,507)</u>

Asian Opportunities and Investments Limited

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

	As At 31-03-2016 USD	As At 31-03-2015 USD
<b>2.3 Long-term Borrowings</b>		
<b>Unsecured</b>		
Long term loan from Related parties	11,489,446	33,572,069
	<u>11,489,446</u>	<u>33,572,069</u>

Terms of repayment for unsecured borrowings

<b>Borrowings</b>	<b>Terms of Repayment</b>
Loan from related party	Interest free and repayable after 12 months

Asian Opportunities and Investments Limited

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

	As At 31-03-2016 USD	As At 31-03-2015 USD
<b>2.4 Trade Payables</b>		
Sundry Creditors	14,780	13,541
	<u>14,780</u>	<u>13,541</u>

Asian Opportunities and Investments Limited

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

5. Fixed Assets  
2.5 Tangible

	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As at March 31, 2015	Additions	Deletion/ Adjustments	As at March 31, 2016	For the year	Deletion/ Adjustments	As at March 31, 2016	As at March 31, 2015	
Furniture and Fixture	2,847	-	-	2,847	-	-	2,847	-	
Office Equipments: Financed Lease Others	-	-	-	-	-	-	-	-	
Vehicles Financed Lease Others	-	-	-	-	-	-	-	-	
Aircraft	-	-	-	-	-	-	-	-	
	2,847	-	-	2,847	-	-	2,847	-	

Notes:

2.6 Intangible

	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As at March 31, 2015	Additions	Deletion/ Adjustments	As at March 31, 2016	For the year	Deletion/ Adjustments	As at March 31, 2016	As at March 31, 2015	
Trademarks, Formulae and License	4,998	-	-	4,998	0,500	-	4,498	1,374	
	4,998	-	-	4,998	0,500	-	4,498	1,374	

Figures in USD

Figures in USD Million



Asian Opportunities and Investments Limited

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

	As At 31-03-2016 USD	As At 31-03-2015 USD
<b>2.8 Cash and Cash Equivalents</b>		
Balances with Banks:		
In Current accounts	631,212	410,638
	<u>631,212</u>	<u>410,638</u>
<b>2.9 Short Term Loans and Advances</b> (Unsecured, considered good unless stated otherwise)		
Pre-paid Expenses	3,920	3,586
Deposits	1,361	1,361
Other Advances		
Considered Good		467,667
Considered Doubtful	467,667	-
	<u>472,948</u>	<u>472,614</u>
Less: Provision for Doubtful Advances	467,667	-
	<u>5,281</u>	<u>472,614</u>

Asian Opportunities and Investments Limited

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

	As At 31-03-2016 USD	As At 31-03-2015 USD
<b>2.10 Other Income</b>		
Foreign exchange gain	4,879	7,951,700
	<u>4,879</u>	<u>7,951,700</u>

## Asian Opportunities and Investments Limited

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

	As At 31-03-2016 USD	As At 31-03-2015 USD
<b>2.11 Other Expenses</b>		
Rent	306,230	766,384
Building maintenance	105,313	171,561
Legal and Professional	53,353	47,062
Provision for bad and doubtful debts	467,667	
Personnel and Administration	95,414	149,824
	<u>1,027,977</u>	<u>1,134,831</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 Mauritius. 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 Schedule 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	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.	McDowell Scotland Limited	Fellow Subsidiary
11.	Shaw Wallace Overseas Limited	Fellow Subsidiary
12.	SW Finance Co Limited *	Fellow Subsidiary
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.	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.	Diageo Brands BV	Promotor of holding company
31.	Kingfisher Finvest India Limited	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 :		
		<b>31.03.16</b>	<b>31.03.15</b>
1	Holding Company :		
	Share Capital	USD 4,998,706	USD 4,998,706



2.	Unsecured Loans		
	United Spirits Limited	USD 7,676,636	USD 28,835,802
	Montrose	USD 70,694	USD 73,473
	Bouvet Laudubay	Nil	USD 884,488
	USL Holdings Ltd	USD 3,544,138	USD 3,544,138
	UB Sports Management	USD 185,691	USD 197,505
	Palmer Investment Group Limited	USD 12,287	Nil
3.	Investments		
	Bouvet Laudubay	Nil	USD 27,188,915
4.	Rent Paid		
	Bouvet Laudubay	USD 306,230	USD 766,383

### 2.13 Cash Flow :

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

### 2.14 Contingent Liabilities:

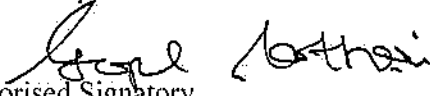
All known liabilities, wherever material, are provided for and liabilities, which are material and whose future outcome cannot be ascertained with reasonable certainty, are treated as contingent.

2.15 Figures are rounded off to the nearest reporting currency.

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

2.17 Previous year figures have been regrouped where ever necessary.

For and on behalf of the Board of Directors  
of Asian Opportunities and Investments Ltd.

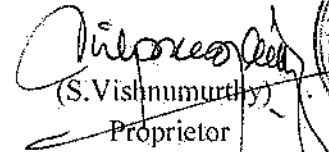
  
Authorized Signatory

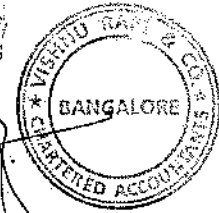
Place : Bangalore

Date : 21/05/2016



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

  
(S. Vishnumurthy)  
Proprietor



Membership no. 22915

Firm Registration No. 004742S

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

To

The Board of Directors,  
Asian Opportunities and Investments Ltd

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 **Asian Opportunities and Investments Ltd** ("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 31<sup>st</sup> March 2016, and also the Statement of Profit and Loss and the Cash Flow Statement for the year ended 31<sup>st</sup> 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;

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31-03-2016, and

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

(b) in the case of the Statement of Profit and Loss of the loss 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