

# United Spirits

BSE SENSEX  
25,102

S&P CNX  
7,707

**CMP: INR2,471 TP:INR4,000 (+62%)**

**Buy**



## Stock Info

Bloomberg	UNSP IN
Equity Shares (m)	145.3
52-Week Range (INR)	3,870/2,232
1, 6, 12 Rel. Per (%)	0/-24/-21
M.Cap. (INR b)/ (USD b)	356.1/5.4
Avg Val ( INR m)	822
Free float (%)	41.2

## Financials Snapshot (INR b)

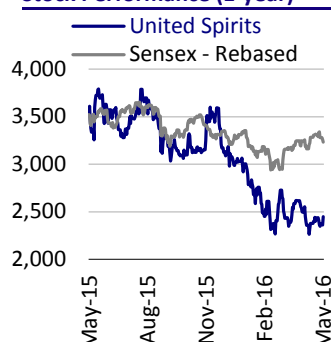
Y/E Mar	2016E	2017E	2018E
Sales	93.5	104.2	118.4
EBITDA	9.9	13.5	17.8
PAT	4.2	7.4	10.8
EPS (INR)	28.7	50.8	74.5
EPS Gr. (%)	LP	76.9	46.6
BV/Sh.(INR)	74.1	124.9	196.5
RoE (%)	48.1	51.1	37.9
RoCE (%)	20.1	27.2	32.0
P/E (x)	86.0	48.6	33.2
P/BV (x)	33.3	19.8	12.6

## Shareholding pattern (%)

As On	Dec-15	Sep-15	Dec-14
Promoter	58.8	58.9	58.9
DII	4.6	4.6	4.2
FII	24.1	24.6	24.4
Others	12.5	12.0	12.5

FII Includes depository receipts

## Stock Performance (1-year)



## Another open offer on the anvil?

**Brand re-launches progressing well; Prohibition-related policy headwinds an overhang**

- **One more open offer?:** The latest media reports suggest that Diageo is considering the possibility of increasing its stake in UNSP from the existing 55.06% to 72% through open market transactions. However, the management has denied these reports in a clarification provided to stock exchanges.
- **Current market price at ~20% discount to earlier open offer price:** The current market price of INR2470 is at a discount of 19% to the earlier open offer price of INR3030. Diageo had raised its stake in UNSP from 28.78% to 54.78% in 1QFY15 via an open offer at an outlay of INR114.5b. The open offer price was at a premium of 18% to the then prevailing market price. Back in Sep-15, Diageo had offered to increase its stake in Guinness Nigeria to 70% from 54.3%.
- **Multi-national consumer companies witness parents increasing their stake:** In India, Hindustan Unilever and GSK Consumer witnessed open offers in FY14 with both their parents increasing their stakes to 67% and 72%, respectively.
- **Stock undergoes material correction due to policy headwinds:** The stock has corrected by **30%** in the last one year on account of policy headwinds as a result of Kerala's proposed liquor ban (staggered ban) and more recently by Tamil Nadu (key political parties in the state have promised prohibition if voted to power). Prohibition on liquor was implemented in Bihar in April-16 as the ruling party fulfilled its promise made during the elections.
- **UNSP making progress on five identified priorities:** As far as business fundamentals are concerned, UNSP is progressing well on five identified priorities, viz.: a) Power brands b) Brand renovation c) Cost leadership d) Corporate citizen/compliance e) Future ready organization. After re-launching *Royal Challenge* a year ago, UNSP had re-launched the largest brand in its portfolio – *McDowell's No.1* in 3QFY16, and re-launched *Signature* in April-16. These brands were deprived of investments in the earlier regime, in our view, and hence, refreshing their identity will help build consumer connect. The early signs of benefits from the brand re-launches are evident in the 58% volume growth posted by *Royal Challenge* in 9MFY16. Our checks suggest good consumer and trade response to *McDowell's No.1*.
- **Preferred idea; maintain Buy:** Despite the near-term negative news flow related to policy actions by various state governments, our positive long-term investment thesis on UNSP remains intact, in view of its improved portfolio mix and resulting margin expansion, debt reduction with further divestment of non-core assets, better capital discipline, improved corporate governance and cost containment. The industry's focus on value growth will be a key medium-term positive for UNSP, in our view. **Maintain Buy.**

## Financials and Valuations

Income Statement						(INR Million)		
Y/E Mar	2011	2012	2013	2014	2015	2016E	2017E	2018E
<b>Net Sales</b>	<b>73,762</b>	<b>91,865</b>	<b>104,115</b>	<b>105,009</b>	<b>91,594</b>	<b>100,490</b>	<b>112,185</b>	<b>127,353</b>
Change (%)	15.9	24.5	13.3	0.9	-12.8	9.7	11.6	13.5
<b>EBITDA</b>	<b>10,653</b>	<b>10,603</b>	<b>10,037</b>	<b>8,711</b>	<b>6,833</b>	<b>9,919</b>	<b>13,486</b>	<b>17,848</b>
EBITDA Margin (%)	14.4	11.5	9.6	8.3	7.5	9.9	12.0	14.0
Depreciation	1,023	1,474	1,784	2,026	2,229	1,918	2,198	2,443
<b>EBIT</b>	<b>9,630</b>	<b>9,129</b>	<b>8,253</b>	<b>6,685</b>	<b>4,604</b>	<b>8,000</b>	<b>11,287</b>	<b>15,406</b>
Interest	4,985	7,773	8,861	12,771	6,528	4,211	3,195	2,613
Other Income	904	2,106	1,446	1,912	2,222	2,444	2,933	3,373
Extraordinary items	2,238	-108	-108	-37,951	-16,650	7,749	0	0
<b>PBT</b>	<b>7,787</b>	<b>3,353</b>	<b>730</b>	<b>-42,126</b>	<b>-16,353</b>	<b>13,982</b>	<b>11,025</b>	<b>16,165</b>
Tax	2,098	1,481	1,781	2,762	520	2,057	3,638	5,334
Tax Rate (%)	26.9	44.2	243.9	-6.6	-3.2	14.7	33.0	33.0
Min. Int. & Assoc. Share	-12	-7	-38	3	4	0	0	0
<b>Reported PAT</b>	<b>5,701</b>	<b>1,880</b>	<b>-1,012</b>	<b>-44,891</b>	<b>-16,877</b>	<b>11,925</b>	<b>7,387</b>	<b>10,831</b>
<b>Adjusted PAT</b>	<b>3,463</b>	<b>1,988</b>	<b>-904</b>	<b>-6,940</b>	<b>-227</b>	<b>4,176</b>	<b>7,387</b>	<b>10,831</b>
Change (%)	14.5	-42.6	-145.5	667.8	-96.7	-1,940.2	76.9	46.6

Balance Sheet						(INR Million)		
Y/E Mar	2011	2012	2013	2014	2015	2016E	2017E	2018E
Share Capital	1,259	1,259	1,259	1,453	1,453	1,453	1,453	1,453
Reserves	40,079	45,359	46,614	28,870	5,141	9,314	16,697	27,100
<b>Net Worth</b>	<b>41,338</b>	<b>46,618</b>	<b>47,873</b>	<b>30,323</b>	<b>6,595</b>	<b>10,767</b>	<b>18,150</b>	<b>28,553</b>
Debt	63,811	72,920	70,865	80,358	49,810	41,310	34,310	30,310
Deferred Tax	2,971	1,720	1,062	238	-119	-119	-119	-119
<b>Total Capital Employed</b>	<b>108,295</b>	<b>121,403</b>	<b>119,911</b>	<b>110,927</b>	<b>56,293</b>	<b>51,966</b>	<b>52,349</b>	<b>58,752</b>
Gross Fixed Assets	26,972	29,620	31,026	35,317	23,404	27,404	31,404	35,404
Less: Acc Depreciation	7,573	9,432	10,721	13,413	8,952	10,870	13,069	15,511
<b>Net Fixed Assets</b>	<b>19,399</b>	<b>20,188</b>	<b>20,305</b>	<b>21,905</b>	<b>14,452</b>	<b>16,534</b>	<b>18,336</b>	<b>19,893</b>
Capital WIP	1,291	1,080	1,312	1,097	1,141	1,141	1,141	1,141
Investments	1,544	2,358	2,179	2,380	2,162	2,162	2,162	2,162
<b>Current Assets</b>	<b>61,842</b>	<b>75,729</b>	<b>82,059</b>	<b>87,129</b>	<b>55,493</b>	<b>55,290</b>	<b>58,400</b>	<b>67,767</b>
Inventory	21,168	27,548	25,112	29,351	17,581	17,895	19,056	21,632
Debtors	14,825	17,737	24,170	22,652	17,515	17,895	19,210	21,807
Cash & Bank	6,370	3,632	2,816	7,047	3,629	2,430	1,693	3,393
Loans & Adv, Others	19,479	26,812	29,960	28,078	16,768	17,069	18,441	20,935
<b>Curr Liabs &amp; Provns</b>	<b>20,102</b>	<b>36,570</b>	<b>44,330</b>	<b>36,683</b>	<b>21,714</b>	<b>27,920</b>	<b>32,449</b>	<b>36,969</b>
Curr. Liabilities	18,331	34,119	40,517	30,542	15,711	22,025	26,125	29,657
Provisions	1,771	2,451	3,812	6,141	6,004	5,894	6,323	7,312
<b>Net Current Assets</b>	<b>41,741</b>	<b>39,159</b>	<b>37,729</b>	<b>50,447</b>	<b>33,779</b>	<b>27,370</b>	<b>25,952</b>	<b>30,798</b>
<b>Total Assets</b>	<b>108,295</b>	<b>121,403</b>	<b>119,911</b>	<b>110,927</b>	<b>56,293</b>	<b>51,966</b>	<b>52,349</b>	<b>58,752</b>

## Financials and Valuations

### Ratios

Y/E Mar	2011	2012	2013	2014	2015	2016E	2017E	2018E
<b>Basic (INR)</b>								
<b>EPS</b>	<b>28.3</b>	<b>16.2</b>	<b>-7.4</b>	<b>-47.8</b>	<b>-1.6</b>	<b>28.7</b>	<b>50.8</b>	<b>74.5</b>
Cash EPS	36.7	28.3	7.2	-33.8	13.8	41.9	66.0	91.3
Book Value	342.8	382.0	392.0	208.7	45.4	74.1	124.9	196.5
DPS	2.5	2.5	2.5	2.5	0.0	0.0	0.0	2.5
Payout (incl. Div. Tax.)	8.8	15.4	-33.9	-5.2	0.0	0.0	0.0	3.4
<b>Valuation(x)</b>								
P/E				-54.3	-1660.4	90.2	51.0	34.8
Cash P/E				-76.7	188.2	61.8	39.3	28.4
Price / Book Value				12.4	57.1	35.0	20.8	13.2
EV/Sales				4.0	4.2	3.8	3.3	2.9
EV/EBITDA				47.9	56.6	38.1	27.5	20.6
Dividend Yield (%)				0.1	0.0	0.0	0.0	0.1
<b>Profitability Ratios (%)</b>								
RoE	8.7	4.5	-1.9	-17.7	-1.2	48.1	51.1	37.9
RoCE	9.7	9.3	8.1	7.8	12.1	20.1	27.2	32.0
<b>Turnover Ratios (%)</b>								
Asset Turnover (x)	0.7	0.8	0.9	0.9	1.6	1.9	2.1	2.2
Debtors (No. of Days)	73	70	85	79	70	65	63	63
Inventory (No. of Days)	143	142	111	130	87	82	81	82
Creditors (No. of Days)	90	87	69	63	38	51	55	56
<b>Leverage Ratios (%)</b>								
Net Debt/Equity (x)	1.4	1.5	1.4	2.4	7.0	3.6	1.8	0.9

### Cash Flow Statement

(INR Million)

Y/E Mar	2011	2012	2013	2014	2015	2016E	2017E	2018E
Adjusted EBITDA	10,653	10,603	10,037	8,711	6,833	9,919	13,486	17,848
Non cash opr. exp (inc)	-1,023	-1,474	-1,784	-2,026	-2,229	-1,918	-2,198	-2,443
(Inc)/Dec in Wkg. Cap.	-11,211	-156	614	-8,487	13,249	5,210	682	-3,146
Tax Paid	-2,098	-1,481	-1,781	-2,762	-520	-2,057	-3,638	-5,334
Other operating activities	0	0	0	0	0	0	0	0
<b>CF from Op. Activity</b>	<b>-3,679</b>	<b>7,492</b>	<b>7,086</b>	<b>-4,564</b>	<b>17,333</b>	<b>11,153</b>	<b>8,331</b>	<b>6,925</b>
(Inc)/Dec in FA & CWIP	-5,452	-16,736	-1,406	19,211	42,210	-4,000	-4,000	-4,000
<b>Free cash flows</b>	<b>-9,131</b>	<b>-9,244</b>	<b>5,681</b>	<b>14,647</b>	<b>59,542</b>	<b>7,153</b>	<b>4,331</b>	<b>2,925</b>
(Pur)/Sale of Invt	-279	-814	179	-201	218	0	0	0
Others	2,237	-556	-108	-37,952	-16,649	7,749	0	0
<b>CF from Inv. Activity</b>	<b>-3,493</b>	<b>-18,106</b>	<b>-1,335</b>	<b>-18,942</b>	<b>25,778</b>	<b>3,749</b>	<b>-4,000</b>	<b>-4,000</b>
Inc/(Dec) in Net Worth	-1,179	3,303	2,611	27,278	-6,850	-7,753	-4	-4
Inc / (Dec) in Debt	8,603	8,124	-2,714	9,047	-30,995	-8,500	-7,000	-4,000
Interest Paid	0	0	0	0	0	0	0	0
Divd Paid (incl Tax) & Others	-1,567	-3,551	-6,464	-8,588	-8,684	152	1,936	-146
<b>CF from Fin. Activity</b>	<b>5,856</b>	<b>7,876</b>	<b>-6,568</b>	<b>27,737</b>	<b>-46,529</b>	<b>-16,101</b>	<b>-5,068</b>	<b>-4,149</b>
<b>Inc/(Dec) in Cash</b>	<b>-1,316</b>	<b>-2,738</b>	<b>-816</b>	<b>4,231</b>	<b>-3,419</b>	<b>-1,199</b>	<b>-737</b>	<b>-1,225</b>
Add: Opening Balance	7,686	6,370	3,632	2,816	7,047	3,629	2,430	1,693
<b>Closing Balance</b>	<b>6,370</b>	<b>3,632</b>	<b>2,816</b>	<b>7,048</b>	<b>3,629</b>	<b>2,430</b>	<b>1,693</b>	<b>468</b>

NOTES



# UNITED SPIRITS GALLERY

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**MOTTAL OSWAL**  
CONSTRUCTION

28 April 2021

Private & Restricted Circulation

Est. Since 1988

22 years

SALES OFFICE

100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 262, 263, 264, 265, 266, 267, 268, 269, 270, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, 286, 287, 288, 289, 290, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 325, 326, 327, 328, 329, 330, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349, 350, 351, 352, 353, 354, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367, 368, 369, 370, 371, 372, 373, 374, 375, 376, 377, 378, 379, 380, 381, 382, 383, 384, 385, 386, 387, 388, 389, 390, 391, 392, 393, 394, 395, 396, 397, 398, 399, 400, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 411, 412, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 441, 442, 443, 444, 445, 446, 447, 448, 449, 450, 451, 452, 453, 454, 455, 456, 457, 458, 459, 460, 461, 462, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483, 484, 485, 486, 487, 488, 489, 490, 491, 492, 493, 494, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567, 568, 569, 570, 571, 572, 573, 574, 575, 576, 577, 578, 579, 580, 581, 582, 583, 584, 585, 586, 587, 588, 589, 590, 591, 592, 593, 594, 595, 596, 597, 598, 599, 600, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 660, 661, 662, 663, 664, 665, 666, 667, 668, 669, 670, 671, 672, 673, 674, 675, 676, 677, 678, 679, 680, 681, 682, 683, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 735, 736, 737, 738, 739, 740, 741, 742, 743, 744, 745, 746, 747, 748, 749, 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 772, 773, 774, 775, 776, 777, 778, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 793, 794, 795, 796, 797, 798, 799, 800, 801, 802, 803, 804, 805, 806, 807, 808, 809, 810, 811, 812, 813, 814, 815, 816, 817, 818, 819, 820, 821, 822, 823, 824, 825, 826, 827, 828, 829, 830, 831, 832, 833, 834, 835, 836, 837, 838, 839, 840, 841, 842, 843, 844, 845, 846, 847, 848, 849, 850, 851, 852, 853, 854, 855, 856, 857, 858, 859, 860, 861, 862, 863, 864, 865, 866, 867, 868, 869, 870, 871, 872, 873, 8

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2 December 2014  
 Option - I: General Question

80 Marks  
 3.00



Pearson Education

## Period India (India)

Not Rated

### Another stellar year

Free cash flow up 46%, margins improve in challenging context

Following are the key takeaways from Pernod Ricard FY14 annual report: Stronger FY14 performance, outperformance industry: Pernod Ricard India FY14 performance almost met and exceeded expectations. FY14 sales, BEITA and EBITDA growth of 27%, 33%, 24% and 18.3%, respectively, the rate that industry leader UNCF had reported 10% standalone gross sales growth for FY14, with 1.5% volume decline. Pernod Ricard volume reported increase to 14.4% in gross sales as it does not discontinue new brands. Pernod Ricard BEITA/Volume up 18.7% (FY14 sales). This is significant, as you view, given the backdrop of unfavourable EBITDA prices.

Triple digit growth, Rupee's mild increase in working capital: Pernod's balance sheet continues to remain solid. Working capital remained stable at 12 days of gross sales versus 30 days in FY13. Pernod Ricard's working days is 1,000+ hours less than UNCF for the last four years (less in premium product mix), its working capital is not too much. For FY14, days in FY14 were 57 of FY13. Pernod has an acute light model, with bulk of manufacturing outsourced to third parties. Hence, it has a gross back of ~98%2. As a result, Pernod sales are 4% for UNCF. Capital ratios continue to remain the best in class, with ratio of 67 and 1.94% and 172%, respectively.

Consistent free cash generation: 75% parent company's cash flow metrics remained solid with 46% YoY growth in free cash flows. E2A as BEITA and FY14 stand at 46% and 74%, respectively. During FY14, a paid R&D/5.7% of dividend to its parent, 75% parent. Largely premium franchisee model, the top-label/active light model and consistent execution in market share of 1% generation in its own industry characterized by absence of pricing power, heavy working capital requirement and bulk of the cash generation. As per the brand concentration in parent report, Pernod is planning to expand its production base.

Cash can diagnose Pernod's success: While the profit before UNCF and Pernod's operations looks reasonable, there are some other things that are for UNCF, in our view. After taking context of UNCF, Cash has implemented several changes in UNCF, it is out of unfavorable markets like Tamil Nadu and states to set up in India. It has also implemented a 14-point plan to drive focus – bulk of advertising dollars to be spent on their brands (i.e. Reducing working capital in Tamil and negotiating with vendors for better credit). Also under UNCF, Cash has implemented the brand strategy of UNCF contributes to focus on brands which make a positive contribution to BEITA. At Monetization of UNCF, Cash has implemented a 14-point plan over three years, the balance UNCF offers more value consumer story and under UNCF's umbrella is a strong play on the growing R&D, opportunities, backed by innovative advertisement. Maintaining Beta with a target price of INR2,000.

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# MOTTAL OSWAL

18 November 2019



## ANNUAL REPORT

# THREADBARE

**UNITED STATES FY14**

Our analysis of United States (USDP) listed annual report indicates us to believe that our corresponding finance sector is pure in the reduction of working capital, as well as non-current assets, and net proceeds from sale of US\$6.9M group. The total of US\$ 1.7M USDP has investments in home and advances to subsidiaries/related group companies (INR0.75). USDP has also been using the US\$ 1.7M group assets. USDP has also made a provision of INR6.2M in consolidated financial statements. We will goodwill impairment of INR0.5M. Any loss of goodwill of INR0.5M will be recognised in the consolidated financial statement. The goodwill impairment may further impact the goodwill in consolidation (FY14 INR.750).

**ART of Threadbare**

- **Minimization of non-current assets** and net proceeds of value minus a year sold
- **Consolidated current assets** to come down from the value of consolidated group
- **Net expense to subsidiaries/related group companies** (US\$ 1.7M in FY14)

● **Minimization of non-current assets** as USDP is moving its job-cost account had to treasury shares, liquidity in United States listed investment portfolio. USDP has also been using the US\$ 1.7M over the medium term. Our estimates suggest INR(20) (at current price) to be asperground through this process.

● **Consolidation current assets** as USDP USDP consolidated current conversion was 124 days (FY14) and 120 days (FY15). The consolidated current asset of US\$ 1.7M group assets. USDP group of US\$ 0.2M of the mandatorily equity, FY14 days 124 days. With compliance of the sale of the US\$6.9M group (largest subsidiary) in FY15, the USDP group assets likely to decline.

● **Lower losses and advances** and other assets might also impact reduction in working capital requirement. Working capital was higher for FY14 due to payment of trademark and license fee of INR(25) (INR.10), and higher losses and advances. With the new management, this likely to come down.

● **Net expense to subsidiaries/related group companies** as INR(6.2) net investments in subsidiaries (US\$ 1.7M in FY14) (INR.6042). Furthermore, group assets to subsidiaries in group companies were INR(0.5) in FY14 (FY13: INR(0.66)).

● **There are no incoming dividends.**

● **Our estimate from group** INR(6.2) net income to USL Holdings was INR(6.1M) in FY14 (FY13: INR.76). These are recognised in losses in the standalone financial statements. Sale of the US\$6.9M group will come in FY15. USDP has also been using the US\$ 1.7M group assets (INR0.75) in FY14 (FY13: INR.76). However, this will not have any impact on the cash-flow of group.

● **Attendance at board meeting** was held by 11 directors as per the act of FY14. Except for Mr Paul Devan Walsh and Mr Vikram Singh Malhotra, all directors had attended at least 50% of the board meeting, the net earnings might have been affected in FY14.

**ART of Threadbare**

Accounting	2014	2015
Revenue	3,467.00	2,752.00
Cost of Sales	1,155.00	1,155.00
Gross Profit	2,312.00	1,597.00
Exp. on Other Assets	2,841.00	2,841.00
Net Profit	471.00	756.00
Net Profit Margin	13.58%	27.46%
Operating Profit	471.00	756.00
Operating Profit Margin	13.58%	27.46%

US\$	INR	INR	INR
US\$ 1.7M	107.5	107.5	107.5
US\$ 0.2M	12.5	12.5	12.5
US\$ 0.1M	6.25	6.25	6.25
US\$ 0.05M	3.125	3.125	3.125
US\$ 0.025M	1.5625	1.5625	1.5625
US\$ 0.0125M	0.78125	0.78125	0.78125
US\$ 0.00625M	0.390625	0.390625	0.390625
US\$ 0.003125M	0.1953125	0.1953125	0.1953125
US\$ 0.0015625M	0.09765625	0.09765625	0.09765625
US\$ 0.00078125M	0.048828125	0.048828125	0.048828125
US\$ 0.000390625M	0.0244140625	0.0244140625	0.0244140625
US\$ 0.0001953125M	0.01220703125	0.01220703125	0.01220703125
US\$ 0.00009765625M	0.006103515625	0.006103515625	0.006103515625
US\$ 0.000048828125M	0.0030517578125	0.0030517578125	0.0030517578125
US\$ 0.0000244140625M	0.00152587890625	0.00152587890625	0.00152587890625
US\$ 0.00001220703125M	0.000762939453125	0.000762939453125	0.000762939453125
US\$ 0.000006103515625M	0.0003814697265625	0.0003814697265625	0.0003814697265625
US\$ 0.0000030517578125M	0.00019073486328125	0.00019073486328125	0.00019073486328125
US\$ 0.00000152587890625M	0.000095367431640625	0.000095367431640625	0.000095367431640625
US\$ 0.000000762939453125M	0.0000476837158203125	0.0000476837158203125	0.0000476837158203125
US\$ 0.0000003814697265625M	0.00002384185791015625	0.00002384185791015625	0.00002384185791015625
US\$ 0.00000019073486328125M	0.000011920928955078125	0.000011920928955078125	0.000011920928955078125
US\$ 0.000000095367431640625M	0.0000059604644775390625	0.0000059604644775390625	0.0000059604644775390625
US\$ 0.0000000476837158203125M	0.00000298023223876953125	0.00000298023223876953125	0.00000298023223876953125
US\$ 0.00000002384185791015625M	0.000001490116119384765625	0.000001490116119384765625	0.000001490116119384765625
US\$ 0.000000011920928955078125M	0.0000007450580596923828125	0.0000007450580596923828125	0.00000074505805969



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Sector - Consumer

# United Spirits



**Paradigm shift: Beginning of a new era**

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