

Report on Corporate Governance

A. MANDATORY REQUIREMENTS

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

As manifested in the Company's vision United Breweries Limited has always strived for excellence in Corporate Governance. Beyond mere compliance we are committed towards taking all strategic initiatives to enhance Shareholders' wealth in the long term. In pursuit of corporate goals, the Company accords high importance to transparency, accountability and integrity in its dealings. Our philosophy on Corporate Governance is driven towards welfare of all the Stakeholders and the Board of Directors remains committed towards this end.

The Board of Directors supports the broad principles of Corporate Governance and lays strong emphasis on its role to align and direct the actions of the Company in achieving its objectives.

BOARD OF DIRECTORS

Your Company is managed and controlled through a professional Board of Directors. The Board comprises of a balanced combination of non-Executive and independent Directors in addition to the Managing Director and Chief Financial Officer. Your Company's Board consists of eminent persons with considerable professional expertise and experience.

Matters of policy and other relevant and significant information are regularly made available to the Board. In order to ensure better Corporate Governance and transparency, the Company has constituted an Audit Committee, Investors' Grievance Committee, Remuneration / Compensation Committee and Share Transfer Committee to look into the aspects of each Committee. Internal Audit carried out by the Group Internal Audit team commensurate with the size of the organization. There is comprehensive management reporting systems involving the preparation of operating results and their review by senior management and by the Board.

In addition to securing Board approvals for various matters prescribed under the Companies Act, 1956, matters such as annual budget, operating plans, significant and material show cause notice and demands, if any, minutes of Committee meetings, control self assessment, risk management and updates thereof are regularly placed before the Board.

During the financial year ended on March 31, 2010, 6 Board Meetings were held on April 09, 2009, April 28, 2009, July 23, 2009, October 26, 2009, December 07, 2009 and January 22, 2010.

ATTENDANCE AT BOARD MEETINGS AND ANNUAL GENERAL MEETING (AGM)

Names of the Directors	Category	Number of Board Meetings held	Number of Board Meetings attended	Attendance at the last AGM held on 10.09.2009
Dr. Vijay Mallya	Chairman (NE)	6	5	YES
Mr. Kalyan Ganguly	Managing Director	6	6	YES
Mr. A K Ravi Nedungadi	Director (NE)	6	5	YES
Mr. John Hunt*	Director (NE)	6	1	YES
Mr. John Nicolson*	Director (NE)	6	1	—
Mr. Guido de Boer**	Director (CFO)	6	2	—
Mr. Chugh Yoginder Pal	Director (NE, Ind)	6	5	YES
Mr. Sunil Alagh	Director (NE, Ind)	6	6	YES
Mr. Chhaganlal Jain	Director (NE, Ind)	6	6	YES
Ms. Kiran Mazumdar Shaw#	Director (NE, Ind)	6	2	—
Mr. Madhav Bhatkuly#	Director (NE, Ind)	6	2	—
Mr. Sijbe Hiemstra**	Director (NE)	6	1	—
Mr. Duco Reinout Hooft Graafland**	Director (NE)	6	1	—
Mr. Stephan Gerlich@	Director (NE, Ind)	6	—	—

Notes: NE – Non-Executive, Ind – Independent, CFO – Chief Financial Officer

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- # Ms. Kiran Mazumdar Shaw and Mr. Madhav Bhatkuly have been appointed as non-executive Directors in independent capacity with effect from October 26, 2009.
- * Mr. John Hunt and Mr. John Nicolson have resigned from the Board with effect from December 07, 2009 in view of reconstitution of the Board of Directors of the Company.
- ** Mr. Sijbe Hiemstra and Mr. Duco Reinout Hooft Graafland have been appointed as non-executive Directors on the Board of the Company with effect from December 07, 2009. Mr. Guido de Boer was appointed as Director & CFO with effect from December 07, 2009.
- @ Mr. Stephan Gerlich has been appointed as non-executive Director in independent capacity with effect from July 02, 2010.

MEMBERSHIP IN BOARDS AND BOARD COMMITTEES – OTHER THAN UNITED BREWERIES LIMITED (UBL)

Names of the Directors	Membership in Boards other than UBL	Membership in Board Committees other than UBL	
		Prescribed for reckoning the limits under Clause 49 of the Listing Agreement **	Other Committees not so prescribed ***
Dr. Vijay Mallya	21	NIL	1 (Chairman of 1 Committee)
Mr. Kalyan Ganguly	6	2 (Chairman of 2 Committees)	2 (Chairman of 2 Committees)
Mr. A K Ravi Nedungadi	9	5 (Chairman of 1 Committee)	2
Mr. Sijbe Hiemstra	1	NIL	NIL
Mr. Duco Reinout Hooft Graafland	1	NIL	NIL
Mr. Chugh Yoginder Pal	4	4 (Chairman of 3 Committees)	2
Mr. Sunil Alagh	4	1 (Chairman of 1 Committee)	2
Mr. Chhaganlal Jain	7	4 (Chairman of 1 Committee)	3
Mr. Guido de Boer	NIL	NIL	NIL
Ms. Kiran Mazumdar Shaw	8	1	1
Mr. Madhav Bhatkuly	3	1	NIL
Mr. Stephan Gerlich	2	1	2 (Chairman of 2 Committees)

The above position is as on the date of this Report and in respect of their Directorships only in Indian Companies.

** Audit & Investors' Grievance Committees *** Remuneration, Share Transfer & Other Committees

NOTES:

- Out of 21 other Companies in India in which Dr. Vijay Mallya is a Director, 8 are Private Limited Companies and 2 are Section 25 Companies. Dr. Vijay Mallya is also on the Board of 36 Overseas Companies.
- Out of 6 other Companies in which Mr. Kalyan Ganguly is a Director, 1 is a Private Limited Company. Mr. Kalyan Ganguly is also on the Board of 1 Overseas Company.
- Out of 9 other Companies in which Mr. A K Ravi Nedungadi is a Director, 3 are Private Limited Companies and 1 is a Section 25 Company. Mr. A K Ravi Nedungadi is also on the Board of 9 Overseas Companies.
- Mr. Sijbe Hiemstra is a director in 1 Private Limited Company. Mr. Hiemstra is also on the Board of 22 Overseas Companies.
- Mr. Duco Reinout Hooft Graafland is a director in 1 Private Limited Company. Mr. Hooft Graafland is also on the Board of 1 Overseas Company.
- Out of 4 other Companies in which Mr. Chugh Yoginder Pal is a Director, 1 is a Private Limited Company.
- Out of 4 other Companies in which Mr. Sunil Alagh is a Director, 2 are Private Limited Companies.
- Out of 7 other Companies in which Mr. Chhaganlal Jain is a Director, 1 is a Private Limited Company.
- Out of 8 other Companies in which Ms. Kiran Mazumdar Shaw is a Director, 4 are Private Limited Companies. Ms. Mazumdar is also on the Board of 3 Overseas Companies.
- Out of 3 other Companies in which Mr. Madhav Bhatkuly is Director, 2 are Private Limited Companies. Mr. Bhatkuly is also on the Board of 2 Overseas Companies.

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PROFILE OF NEW DIRECTORS

Brief resume	Other Directorships & Committee Memberships in India
<p>Ms. Kiran Mazumdar Shaw</p> <p>Ms. Kiran Mazumdar Shaw, is a first generation entrepreneur with more than 32 years experience in the field of biotechnology. After graduating in B.Sc. (Zoology Hons.) from Bangalore University in 1973, she completed her post-graduate degree in malting and brewing from Ballarat College, Melbourne University in 1975. She has been awarded with several honorary degrees including Honorary Doctorate of Science from Ballarat University, in recognition of pre-eminent contribution to the field of Biotechnology, 2004, Doctor of Technology from the University of Abertay Dundee, 2007, Doctor of Science from the University of Glasgow, 2008 and Doctor of Science from the Heriot-Watt University, Edinburgh, 2008.</p> <p>She is a founder promoter and has led Biocon Limited since its inception in 1978. She is the recipient of several awards, the most noteworthy being the 'Padmabhushan' Award (one of the highest civilian awards in India) in 2005 conferred by the President of India, the Nikkei Asia Prize, 2009 for Regional Growth, Express Pharmaceutical Leadership Summit Award 2009 for Dynamic Entrepreneur, the Economic Times 'Businesswoman of the Year', the 'Veuve Clicquot Initiative for Economic Development For Asia', Ernst & Young's Entrepreneur of the Year Award for Life Sciences & Healthcare, 'Technology Pioneer' recognition by World Economic Forum and The Indian Chamber of Commerce Lifetime Achievement Award. She heads several biotechnology task forces including the Karnataka Vision Group on Biotechnology, an initiative by the Government of Karnataka and the National Taskforce on Biotechnology for the Confederation of Indian Industry (CII). She is a member of the Prime Minister's Council on Trade and Industry and also serves as a Member, Governing Body and general Body of the Indian Pharmacopoeia Commission, an Autonomous Body of the Government of India.</p>	<p>Other Boards</p> <p>Biocon Limited Syngene International Limited Clinigene International Limited Biocon Biopharmaceuticals Private Limited Biocon Research Limited Glenloch Properties Private Limited Narayana Institute For Advance Research Private Limited Narayana Hrudayalaya Private Limited</p> <p>Investors' Grievance Committee</p> <p>Biocon Limited</p>
<p>Mr. Madhav Bhatkuly</p> <p>Mr. Madhav Bhatkuly has a Masters Degree in Commerce from Sydenham College, Bombay and a Masters Degree in Economics from the London School of Economics. He is a recipient of the Foreign and Commonwealth Scholarship from the British Government. Mr Bhatkuly was a country partner of Arisaig Partners from 1999 to 2005. Prior to that, he was associated with SG Securities and ICICI Bank Limited. He partnered with Chris Hohn of The Children's Investment Fund, (UK) TCI to set up a dedicated India Fund. He is credited to have been amongst the first institutional investors in many small companies which have gone on to become some of India's leading names. He has been featured on several TV shows including "CNBC's wizards of Dalal Street", Indianomics, the Karan Thapar Show etc., and has been invited to speak at many business schools such as the Indian Institute of Management, and by many organizations such as the Confederation of India Industries (CII), Goldman Sachs etc.</p>	<p>Other Boards</p> <p>Motilal Oswal Financial Services Limited New Horizon Financial Research Private Limited New Horizon Wealth Management Private Limited</p> <p>Audit Committee</p> <p>Motilal Oswal Financial Services Limited</p>
<p>Mr. Duco Reinout Hooft Graafland</p> <p>Mr. Duco Reinout Hooft Graafland studied Business Administration at the Erasmus University in Rotterdam and finished the Post-Graduate study for Chartered Accountant. He started his career as a Management Trainee with Heineken Nederland in 1981, became brand manager for Vrumona, Heineken's soft drink company and continued as Area Export Manager for Central and West Africa. The experience with the African market prompted his move to Kinshasha, where he worked as Financial Director for Heineken's operations for three years from 1987-1989. Then Rene returned to the Netherlands as Marketing Director for Heineken Nederland. In 1993 he went to Indonesia as President Director of Multi Bintang. As of 1997 he continues his career at Heineken's Corporate Office as Director Corporate Marketing to become Director of Heineken Export Group in 2001. In 2002 he was appointed Member of the Executive Board and CFO Heineken N.V.</p>	<p>Other Boards</p> <p>Millennium Alcobev Private Limited</p>

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<p>Mr. Sijbe Hiemstra</p> <p>Mr. Sijbe Hiemstra has Bachelor's degree in Business Administration at the School of Higher Economic Studies, Rotterdam and has attended various International Management programmes. Mr. Hiemstra joined Heineken in 1978. The first six years he worked with Gedistilleerd en Wijngroep Nederland. He started in various commercial and logistic projects, culminating in Product, Brand and Category Manager. In 1985 he was appointed Export Manager Softdrinks with Heineken Export Department/Vrumona. In 1989 Mr. Hiemstra started his overseas career as Country Manager of Heineken Export in Seoul, South Korea. This was followed by several years as Commercial Manager with South Pacific Holdings in Papua New Guinea and as General Manager of Brasseries de Bourbon in ILLe de La Reunion. In 1995 he returned to the Netherlands to take up the position of Deputy Director Central Africa for Heineken's Africa/Middle East Cluster. In 1998 he was appointed Regional Director SEA/Oceania with Asia Pacific Breweries Ltd in Singapore. In 2001 he became Director of Heineken Technical Services in Zoeterwoude. In October 2005 he was appointed Regional President.</p>	<p>Other Boards</p> <p>Millennium Alcobev Private Limited</p>
<p>Mr. Guido de Boer</p> <p>Mr. Guido de Boer has a Masters Degree in Economics and Business from Erasmus University Rotterdam. He has completed various Executive Development Programs at INSEAD-Fontainebleau and IMD-Lausanne. He started his career in investment banking, ultimately as Director at MeesPierson Corporate Finance & Capital Markets, advising corporations on M&A and Equity Capital Markets transactions in the Food & Beverages and Media Industries. In 2004, he joined Heineken's Group Business Development department where he was involved in acquisitions, business due diligence projects, and business development strategy. Mr. De Boer led the Heineken deal team in the public offer for Scottish & Newcastle, in consortium with Carlsberg, for an enterprise value in excess of EUR 15 bn. Having worked on acquisition and business due diligence projects in countries like Russia, Colombia, Nigeria and China, he brings the experience of a finance professional, possessing broad business skills, and an understanding of diverse emerging markets.</p>	<p>Other Boards</p> <p>Nil</p>
<p>Mr. Stephan Gerlich</p> <p>Mr. Stephan Gerlich is a Wirtschaftsassistent from Industrial Chambers of Commerce, Koeln Germany. He is Country Group Speaker for the Bayer Group in India and Vice Chairman and Managing Director of Bayer CropScience Limited and Chairman & Managing Director of Bayer MaterialScience Private Limited. Based at the headquarters in Mumbai, Mr. Gerlich has been responsible for the Bayer Group business activities in India since July 2003. Mr. Gerlich started his career with Bayer in 1978 and shortly afterwards moved to a subsidiary in France. After 3 years in France, he joined the Bayer operations in Mexico. In 1991, Mr. Gerlich returned to the Bayer Headquarters in Leverkusen, Germany as Regional Marketing Manager for Engineering Plastics Division and later designated as Global Marketing Manager in 1992. In 1994, Mr. Gerlich took over as Director Sales and Marketing and Key Account Manager in Bayer France and in 1995 he was made President / CEO of the Bayer / Hoechst Joint Venture, Dystar, in Mexico. In 2000, he became Vice President in charge of sale in USA & Canada for Dystar, based in North Carolina.</p>	<p>Other Boards</p> <p>Bayer CropScience Limited Bayer MaterialScience Private Limited</p> <p>Investors' Grievance Committee</p> <p>Bayer CropScience Limited</p>

Mr. Chugh Yoginder Pal, Mr. Sunil Alagh and Mr. A K Ravi Nedungadi retire at the ensuing Annual General Meeting and being eligible, have offered themselves for re-appointment. Brief particulars of Mr. Chugh Yoginder Pal, Mr. Sunil Alagh and Mr. A K Ravi Nedungadi are mentioned below:

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PROFILE OF DIRECTORS RETIRING BY ROTATION

Brief resume	Other Directorships & Committee Memberships
<p>Mr. Chugh Yoginder Pal</p> <p>Mr. Chugh Yoginder Pal is a Graduate in Engineering with First Class (Distinction) from Delhi University. He started his career at TELCO in 1958 & was trained in Industrial Engineering after which he moved to Hindustan Lever Limited in 1960, where he held various positions starting as an Industrial Engineer & moving up quickly in the Management hierarchy in a variety of Production, Factory and General Management roles and was the head of Corporate Materials Management (1975-1977). He then joined Cadbury India Limited & held various positions as Technical Director (1977-1982), Managing Director (1983-1987), Chairman & Managing Director (1987-1994), Executive Chairman (1994-1997); He continues to be the Chairman (Non-Executive) at Cadbury India Limited.</p> <p>Mr. Pal brings with him great expertise & understanding of the Indian business environment. Mr. Pal is on the Board of UBL since April 29, 2005.</p>	<p>Other Boards</p> <p>Cadbury India Limited Aptech Limited Sriram Pistons & Rings Limited Renfro India Private Limited</p> <p>Audit Committee</p> <p>Cadbury India Limited (Chairman) Aptech Limited (Chairman) Sriram Pistons & Rings Limited</p> <p>Investors' Grievance Committee</p> <p>Cadbury India Limited (Chairman)</p>
<p>Mr. Sunil Alagh</p> <p>Mr. Sunil Alagh is Chairman of SKA Advisors, a Business Advisory / Consultancy firm with a focus on Marketing and Brand building strategies. He is a graduate in Economics (Hons.) with MBA from IIM Calcutta. He has worked with ITC Limited, Jagatjit Industries Limited and Britannia Industries Limited. He was Managing Director and CEO of Britannia Industries Limited from 1989 to 2003. During this tenure, Britannia figured in the Forbes Magazine list of 300 Best Small Companies in the world for 3 years. It also became the Number 1 Food Brand in India.</p> <p>He is a member of the Indian Advisory Board of Schindler and on the Governing Body of IIM Bangalore & Indore, National Institute of Design, Ahmedabad and the Indian Institute of Foreign Trade, Delhi. In addition, he is a member of the Round Table on Higher Education of the Ministry of HRD, Government of India.</p> <p>He was honoured with the 'Gold Medal Kashlkar Memorial Award 2000' for outstanding contribution to the food processing industry in India. He was a finalist for the Ernst and Young Entrepreneur of the Year Award, 2002.</p> <p>Mr. Alagh is on the Board of UBL since April 29, 2005.</p>	<p>Other Boards</p> <p>GATI Limited Indofil Organic Industries Limited Tamara Capital Advisors Private Limited SKA Advisors Private Limited</p> <p>Investors' Grievance Committee</p> <p>Indofil Organic Industries Limited</p>
<p>Mr. A K Ravi Nedungadi</p> <p>A trained Chartered Accountant, Mr. Nedungadi set early academic records by qualifying in the final of the Chartered Accountancy Exam at age 20. Early position at Macneill & Magor Ltd., a diversified conglomerate and Pentagon Fasteners Ltd. Delhi set the stage for an outstanding track record with current employer.</p> <p>He joined the UB Group in 1990 as the Corporate Treasurer. Within two years, he was transferred to London as Group Finance Director of the Group's international business managing the businesses of UB International, which included the paint giant Berger Jenson and Nicholson, spanning 27 countries. He was instrumental in listing the Berger group companies on London and Singapore bourses.</p> <p>Since his appointment as the President and Group CFO in 1998, the youngest to have been elevated to such a position in the Group, he led his way to sharpening the focus of the Group, which had a conglomerate approach, on areas of core competence and global reach. This saw the group focus on three verticals – Brewing, Distilling & Aviation, each area presenting clear leadership within India and global significance too. He was also responsible for opening up the beverage alcohol sector to Global Best Practices and Transparency, enabling the entry of institutional investors and re-rating of the industry itself.</p>	<p>Other Boards</p> <p>Aventis Pharma Limited Bayer CropScience Limited Kingfisher Airlines Limited Idea Streamz Consultants Private Limited Pie Education Limited Millenea Vision Advertising (P) Limited Millennium Alcobev Private Limited Shaw Wallace Breweries Limited</p> <p>Audit Committee</p> <p>Aventis Pharma Limited Bayer CropScience Limited Kingfisher Airlines Limited</p> <p>Investors' Grievance Committee</p> <p>Aventis Pharma Limited Bayer CropScience Limited (Chairman)</p>

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Under his leadership the market capitalization of the 3 principal Group Companies has crossed US\$ 7 billion, which bears testimony to the successful accomplishment of business restructuring, consolidation and enhanced shareholder value. As the principle leadership resource of UB Group, Mr. Nedungadi was key to concluding the acquisition of Shaw Wallace & Co. India, Bouvet Ladubay, France, Whyte & Mackay, Scotland, Air Deccan in India etc., each of which has contributed to the value creation for all stake holders.

Mr. Nedungadi is the recipient of many awards of excellence including the Udyog Ratan Award; CNBC TV 18's – CFO of the year – M&A (2006), the CNBC Award for India's best CFO in the FMCG & Retail Sector (2007), the IMA Award for CFO of the year (2007), etc. Memberships in esteemed organizations like Who's Who of Professionals only reinforce the above testimonials. Further, he is on the Board of Directors of several companies, both in India and overseas.

His interest in social work and the arts engage his free time. He is an active Rotarian and is a Trustee of India Foundation for Arts, a leading Grant making Art Philanthropy.

Mr. Nedungadi joined the Board on August 9, 2002.

NOTE: Committee Memberships of Directors mentioned above includes only those Committees prescribed for reckoning of limits under Clause 49 of the Listing Agreement.

None of the Directors are related inter-se.

COMMITTEES OF DIRECTORS

The Board has constituted Committees of Directors to deal with matters which need quick decisions and timely monitoring of the activities falling within their terms of reference. The Board Committees are as follows:

AUDIT COMMITTEE

The Audit Committee comprises of Mr. Chugh Yoginder Pal, Mr. Sunil Alagh and Mr. Chhaganlal Jain as members, all of whom are independent Directors. The Chairmanship of the Committee vests with Mr. Chugh Yoginder Pal.

The Committee oversees the financial reporting process, disclosure requirements and matters relating to Internal Control System. The Committee also reviews periodically the financial accounts, adequacy of internal audit function, compliance with accounting standards and other areas within its terms of reference, as under:

- i) Oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- ii) Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of Audit fee;
- iii) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- iv) Reviewing, with the Management, the Annual Financial Statements before submission to the Board for approval, with particular reference to:
 - Matters required to be included in the Directors Responsibility Statement to be included in the Board's report in terms of Clause 2AA of Section 217 of the Companies Act, 1956;
 - Changes, if any, in accounting policies and practices and reasons for the same;
 - Major accounting entries involving estimates based on the exercise of judgment by the Management;
 - Significant adjustments made in the financial statements arising out of Audit findings;
 - Compliance with listing and other legal requirements relating to financial statements ;
 - Disclosure of any related party transactions;
 - Qualifications in the draft audit report;
- v) Reviewing with the Management the quarterly financial statements before submission to the Board for approval;
- vi) Reviewing with the Management, performance of Statutory and Internal Auditors, adequacy of Internal Control Systems;
- vii) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit;
- viii) Discussing with Internal Auditors any significant findings and follow up there on;

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- ix) Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or failure of Internal Control Systems of a material nature and reporting the matter to the Board;
- x) Discussing with Statutory Auditors before the audit commences, about the nature and scope of Audit as well as post-audit discussion to ascertain any area of concern;
- xi) To look into the reasons for substantial defaults in the payment to Depositors, Shareholders (in case of non-payment of declared Dividends), Debenture-holders and Creditors;
- xii) To review the function of the Whistle Blower mechanism, in case the same is existing, and
- xiii) Carrying out any other function as may be mentioned in the terms of reference of the Audit Committee from time to time.

The Audit Committee mandatorily reviews the following information:

1. Management discussion and analysis of financial conditions and results of operations;
2. Statement of significant related party transactions submitted by the management;
3. Management letters / letters of internal control weaknesses issued by the Statutory Auditors;
4. Internal audit reports relating to internal control weaknesses, and
5. The appointment, removal and terms of remuneration of the Chief Internal Auditor.

During the Year ended March 31, 2010, 4 Audit Committee Meetings were held on April 28, 2009, July 23, 2009, October 26, 2009 and January 22, 2010.

ATTENDANCE AT AUDIT COMMITTEE MEETINGS

Names of the Directors	Category	Number of Audit Committee Meetings held	Number of Audit Committee Meetings attended
Mr. Chugh Yoginder Pal	CHAIRMAN	4	4
Mr. Sunil Alagh	MEMBER	4	4
Mr. Chhaganlal Jain	MEMBER	4	4

The Company Secretary was present in all the Meetings of Audit Committee.

SHARE TRANSFER COMMITTEE

The Share Transfer Committee comprises of Mr. A K Ravi Nedungadi and Mr. Kalyan Ganguly as Members. Mr. Nedungadi, a non-executive Director, is the Chairman of the Committee.

The Terms of reference are as under:

- To monitor Transfer, Transmission and Transposition of the Shares of the Company;
- Issue of Duplicate Share Certificates, in lieu of Certificates lost or misplaced;
- Issue of New Share Certificates in lieu of Certificates torn, mutilated, cages for transfer filled up etcetera;
- Consolidation and sub-division of Share Certificates;
- To oversee compliance of the norms laid down under the Depositories Act, 1996;
- To appoint/remove Registrar and Transfer Agent;
- To oversee compliance of the norms laid down under the Tripartite Agreement with National Securities Depository Limited /Central Depository Services (India) Limited, and
- Perform all such acts and deeds, matters and things as it may in its absolute discretion deem necessary, expedient, desirable, usual or proper and to settle any question, dispute, difficulty or doubt that may arise in regard to the matters arising out of the aforesaid acts.

In order to facilitate prompt and efficient service to the Shareholders all the transactions in connection with Transfer, Transmission, issue of Duplicate Certificates, etc., have been entrusted to Alpha Systems Private Limited, Registrar and Transfer Agent and the same are being processed and approved on fortnightly basis.

During the year ended March 31, 2010 the Committee met 9 times on April 16, 2009, June 01, 2009, June 30, 2009, July 16, 2009, September 08, 2009, September 30, 2009, November 16, 2009, December 31, 2009, and January 22, 2010 for approving the transactions falling within the Terms of reference mentioned above.

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The Board of Directors has, by a resolution by circulation passed on May 5, 2004, delegated the power to approve transfers / transmission etc., upto 5000 shares to the Managing Director and the Company Secretary, who can act severally in the above matter.

INVESTORS' GRIEVANCE COMMITTEE

The Investors' / Shareholders' Grievance Committee comprises of Mr. Chugh Yoginder Pal, Mr. Sunil Alagh and Mr. Chhaganlal Jain as Members. Mr. Chugh Yoginder Pal is the Chairman of the Committee.

The Terms of Reference for the Committee include inter alia specifically to look into the redressing of Shareholders' and Investors' complaints like non-receipt of Balance Sheet, non-receipt of declared Dividends, non-receipt of Share certificates, Demat Credit, etcetera, and operate in terms of the provisions of the Listing Agreement and/or the provisions as may be prescribed under the Companies Act, 1956 and other related Regulations from time to time..

The Compliance Officer is Mr. Govind Iyengar, Divisional Vice President – Legal and Company Secretary.

Number of Shareholders' complaints received from 1-4-2009 to 31-3-2010 (These Complaints pertained mainly to non-receipt of Share Certificates upon transfer, non-receipt of Annual Report, non-receipt of Dividend etc.)	34
Number of complaints not solved to the satisfaction of the Shareholders	Nil
Number of pending Share transfers	Two transfer cases for 400 shares were kept pending as on 31.03.2010 as the process of transfer of shares was in progress. These shares were subsequently transferred after completion of due procedures.

During the year ended March 31, 2010, 2 Investors' Grievance Committee Meetings were held on October 26, 2009 and January 22, 2010 which were attended by all the members.

REMUNERATION / COMPENSATION COMMITTEE (A NON MANDATORY REQUIREMENT)

The Remuneration Committee comprises of Mr. Chugh Yoginder Pal, Mr. Sunil Alagh and Mr. Chhaganlal Jain as Members. Mr. Sunil Alagh is the Chairman of the Committee.

The Committee is authorized inter alia:

- to deal with matters related to compensation by way of salary, perquisites, benefits, etc., to the Managing Director/Executive/ Wholetime Directors of the Company and set guidelines for the salary, performance, pay and perquisites to other Senior Employees, and
- to formulate and implement Employee Stock Option Scheme to employees/Directors in terms of prescribed Guidelines.

During the year ended March 31, 2010, 2 Meetings of Remuneration Committee were held on October 26, 2009 and December 07, 2009 which were attended by all the Members.

REMUNERATION POLICY

The Company carries out periodic reviews of comparable Companies and through commissioned survey ascertains the remuneration levels prevailing in these Companies. The Company's Remuneration Policy is designed to ensure that the remuneration applicable to Managers in the Company is comparable with multinational Companies operating in the Brewing or similar industry in India.

For the financial year ended March 31, 2010, Mr. Kalyan Ganguly, Managing Director and Mr. Guido de Boer, Director & CFO were paid remuneration as under:

(Rupees)

	Salary & Allowance	Perquisites	Retiral Benefits
Mr. Kalyan Ganguly	27,087,048	2,694,113	4,094,945
Mr. Guido de Boer	6,125,448	720,000	144,000

After his initial term of 5 years, as Managing Director, Mr. Kalyan Ganguly was re-appointed as Managing Director for a further period of 5 years effective August 09, 2007 till August 08, 2012. Mr. Guido de Boer was appointed as Director of the Company with effect from December 07, 2009 for a period of three years and his remuneration mentioned above reflects remuneration paid for part of the year only.

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SITTING FEES PAID TO DIRECTORS DURING 2009-2010

(Rupees)

Sl. No.	Name of the Director	Sitting Fees paid
1.	Dr. Vijay Mallya	100,000/-
2.	Mr. A K Ravi Nedungadi	180,000/-
3.	Mr. Chugh Yoginder Pal	230,000/-
4.	Mr. Chhaganlal Jain	250,000/-
5.	Mr. Sunil Alagh	250,000/-
6.	Mr. John Hunt	20,000/-
7.	Mr. John Nicolson	20,000/-
8.	Mr. Sijbe Hiemstra	20,000/-
9.	Mr. Duco Reinout Hooft Graafland	20,000/-
10.	Ms. Kiran Mazumdar Shaw	40,000/-
11	Mr. Madhav Bhatkuly	40,000/-
Total		1,170,000/-

Sitting fees are being paid @ Rs.20,000/- for attending Board and Audit Committee Meetings and Rs.10,000/- for attending other Committee Meetings. No stock options are granted to any of the Directors so far.

COMMISSION PAID TO DIRECTORS DURING 2009-2010

(Rupees)

Sl. No.	Name of the Director	Commission
1.	Dr. Vijay Mallya	6,367,439/-
2.	Mr. Chugh Yoginder Pal	1,414,986/-
3.	Mr. Chhaganlal Jain	1,414,986/-
4.	Mr. Sunil Alagh	1,414,986/-

OTHER COMMITTEE MEETINGS

A Meeting of the Special Committee (Selection Committee) comprising of Mr. Sunil Alagh, Mr. Chhaganlal Jain and Mr. Sheshagiri Hedge (Consultant & Expert) was held on July 23, 2009 to consider the re-appointment of Mr. Umesh Hingorani (a relative of the Chairman of the Company) as Divisional Vice President – Business Development, which was attended by all the members.

The particulars of Equity Shares of the Company held by the Directors are furnished below:

Sl. No.	Name	Number of Equity Shares held	
		As on March 31, 2010	As on March 31, 2009
1.	Dr. Vijay Mallya	21353620	21353620
2.	Mr. Kalyan Ganguly	14690	14690
3.	Mr. Sunil Alagh	6800	6800

GENERAL BODY MEETINGS

The previous three Annual General Meetings of the Company were held on the dates, time and venue as given below:

Date	Time	Venue	Special Resolutions Passed
September 10, 2009	11.00 a.m.	Good Shepherd Auditorium, Opp. St. Joseph's Pre-University College, Residency Road, Bangalore-560 025.	One
September 10, 2008	11.00 a.m.	Good Shepherd Auditorium, Opp. St. Joseph's Pre-University College, Residency Road, Bangalore-560 025.	Three
September 28, 2007	12.30 p.m.	Good Shepherd Auditorium, Opp. St. Joseph's Pre-University College, Residency Road, Bangalore-560 025.	Three

All the Resolutions set out in respective Notices including Special Resolutions were passed by the Members at the above Annual General Meetings.

Report on Corporate Governance (contd.)

DISCLOSURES

During the financial year ended March 31, 2010, there were no materially significant related party transactions with the Company's Directors or their relatives. Details of related party transaction form part of Notes on Accounts. In preparation of financial statements for the year under review, treatment as prescribed in Accounting Standards has been followed.

The Company has complied with all the Statutory requirements comprised in the Listing Agreements / Regulations / Guidelines/ Rules of the Stock Exchanges / SEBI / other Statutory Authorities.

The Company did not suffer from any levies and there were no strictures on any Capital market related matters since incorporation. The Company has complied with the mandatory requirements of Clause 49, as on date of this report.

The Company has also constituted a Remuneration Committee which is a non-mandatory requirement.

In terms of Section 313 of the Companies Act, 1956, Mr. Duco Reinout Hooft Grafland has appointed Mr. Ernst Willem Arnold van de Weert as his alternate on the Board and Mr. Sijbe Hiemstra has appointed Mr. Kenneth Choo Tay Siam as his alternate on the Board.

MEANS OF COMMUNICATION

The Company has its own Web-site and all vital information relating to the Company and its performance involving quarterly results, official Press release and presentation to analysts are posted on the Company's Web-site "www.kingfisherworld.com". Apart from furnishing copies of Results to all the Stock Exchanges, the Quarterly, Half-yearly and Annual Results of the Company's performance are being published in The Financial Express and Kannada Prabha Newspapers.

In line with the requirement of clause 47 (f) of the Listing Agreement, the Company has designated an exclusive email ID viz, ubinvestor@ubmail.com for the purpose of registering complaints by the investors. The investors can post their grievances by sending a mail to the said email ID.

Management Discussion and Analysis form part of the Directors' Report.

GENERAL SHAREHOLDER INFORMATION

The Company's financial year begins on April 1 and ends on March 31 of immediately subsequent year.

Division of Financial Calendar		Declaration of Unaudited Results	
1 st Quarter	April 1 to June 30	1 st Quarter	By August 14 th
2 nd Quarter	July 1 to September 30	2 nd Quarter	By November 14 th
3 rd Quarter	October 1 to December 31	3 rd Quarter	By February 14 th
4 th Quarter	January 1 to March 31	4 th Quarter	By May 15 th

In terms of amendment to the Listing Agreements, the unaudited results of the Company are to be declared with 45 days of the end of the quarter.

ANNUAL GENERAL MEETING INFORMATION

Board Meeting for Consideration of Accounts	July 21, 2010
Posting of Annual Report	July 27, 2010
Book Closure dates	August 19, 2010 and August 20, 2010
Last date for receiving proxy	August 18, 2010 (12.15 p.m.)
Date of AGM	August 20, 2010

ANNUAL GENERAL MEETING ON

Friday, August 20, 2010

VENUE

Good Shepherd Auditorium,
Opp. St. Joseph's Pre-University College,
Residency Road, Bangalore 560 025.

TIME

12.15 p.m.

DATES OF BOOK CLOSURE

August 19, 2010 and August 20, 2010

Report on Corporate Governance (contd.)

LISTINGS AT

STOCK EXCHANGE	SCRIP CODE
BANGALORE STOCK EXCHANGE LIMITED	UNITEDBRED
BOMBAY STOCK EXCHANGE LIMITED	532478
NATIONAL STOCK EXCHANGE OF INDIA LIMITED	UBL

The Company has voluntarily de-listed its Securities from the following Stock Exchanges:

Cochin Stock Exchange Limited	w.e.f. 23.05.2009
Calcutta Stock Exchange Assn. Limited	w.e.f. 31.03.2009
Ludhiana Stock Exchange Limited	w.e.f. 25.04.2009
Ahmedabad Stock Exchange	w.e.f. 12.03.2009
Madras Stock Exchange Limited	w.e.f. 21.12.2009
Delhi Stock Exchange Limited	w.e.f. 07.09.2009

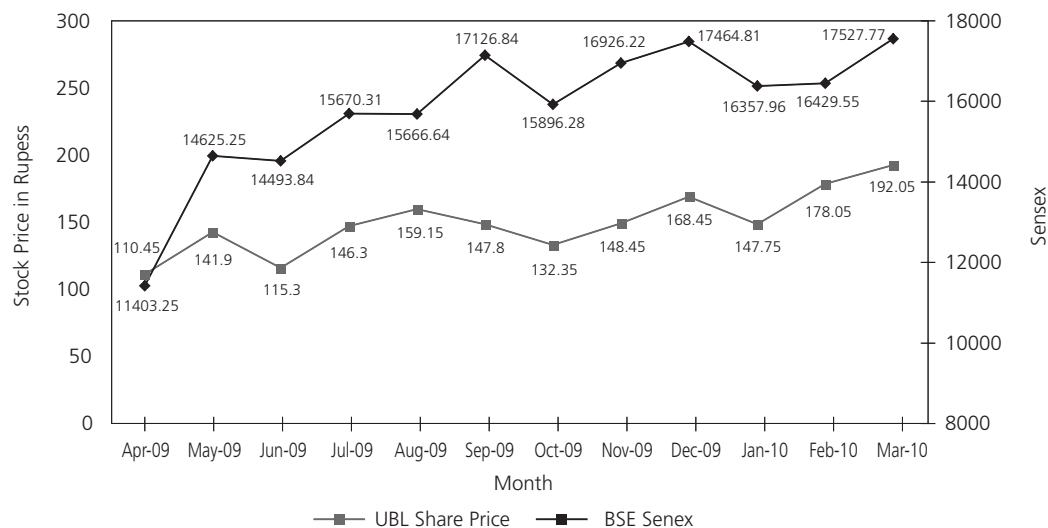
Market price data of the Company's Equity Shares traded on the Bombay Stock Exchange Limited, (BSE) during the period April 2009 to March 2010

Month	High (Rs.)	Low (Rs.)	Close (Rs.)	BSE Sensex-Close
April 2009	120.05	87.75	110.45	11403.25
May 2009	156.40	105.00	141.90	14625.25
June 2009	160.50	104.00	115.30	14493.84
July 2009	162.40	108.35	146.30	15670.31
August 2009	173.50	138.25	159.15	15666.64
September 2009	166.00	139.00	147.80	17126.84
October 2009	162.75	130.80	132.35	15896.28
November 2009	159.50	122.00	148.45	16926.22
December 2009	201.00	148.05	168.45	17464.81
January 2010	178.00	144.00	147.75	16357.96
February 2010	184.00	150.00	178.05	16429.55
March 2010	199.00	176.15	192.05	17527.77

(Market Price data source: www.bseindia.com)

Graphical representation of the Company's Shares in comparison to broad-based indices i.e., BSE Sensex, is given below:

Comparison - UBL Stock Price Vs. BSE Sensex



Report on Corporate Governance (contd.)

SHARE TRANSFER SYSTEM

All matters pertaining to Share Transfer are being handled by Alpha Systems Private Limited, the Registrar and Share Transfer Agent of the Company. The Share Transfer requests received are processed by them and a Memorandum of Transfer is sent to the Company for approval by the Committee. The average time taken for processing Share Transfer requests including despatch of Share Certificates is 15 days, while it takes a minimum of 10-12 days for processing dematerialization requests. The Company regularly monitors and supervises the functioning of the system so as to ensure that there are no delays or lapses in the system.

The Company was offering the facility of transfer-cum-demat as per SEBI Guidelines. However, SEBI has vide its Circular No. SEBI/ MRD/Cir-10/2004 dated February 10, 2004, withdrawn transfer-cum-demat scheme. In line with the above, on receipt of transfer requests the Company has discontinued issuing of option letters to the shareholders.

The distribution of shareholding as on March 31, 2010 is furnished below:

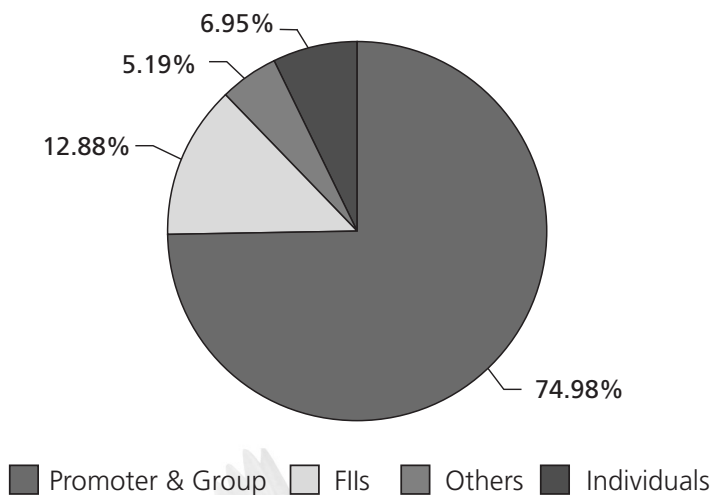
Category (Rs.)	No. of Shareholders	% (Percentage)	No. of Shares held	% (Percentage)
Up to 5000	35878	98.88	11278189	4.70
5001 – 10000	170	0.47	1224526	0.51
10001 – 20000	89	0.25	1260491	0.53
20001 – 30000	46	0.13	1144328	0.48
30001 – 40000	19	0.05	684957	0.29
40001 – 50000	10	0.03	466824	0.19
50001 – 100000	15	0.04	1075748	0.45
100001 and Above	56	0.15	222913192	92.86
TOTAL	36283	100.00	240048255	100.00

Shareholding Pattern as on March 31, 2010

Category	No. of Shares held	Percentage of Shareholding
Promoters		
Indian	89994960	37.49
Foreign	89994960	37.49
Institutional Investors		
Mutual Funds/UTI	3683929	1.53
Banks Financial Institutions	28380	0.01
Central/State Governments	660	0.00
Insurance Companies	1702757	0.71
Foreign Institutional Investors	30918545	12.88
Others		
Bodies Corporate	6793788	2.83
Individuals	16681515	6.95
Trust	248761	0.10
Total	240048255	100.00

Report on Corporate Governance (contd.)

Shareholding Pattern as on March 31, 2010

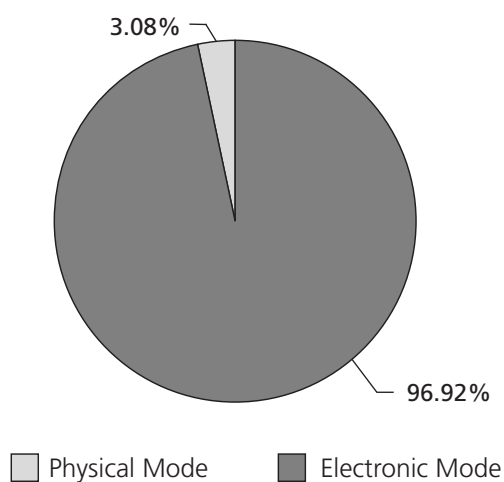


DEMATERIALIZATION OF SHARES

The Company has set up requisite facilities for dematerialization of its Equity Shares in accordance with the provisions of the Depositories Act, 1996 with National Securities Depository Limited and Central Depository Services (India) Limited. The Company has entered into agreements with both the Depositories for the benefit of Shareholders. The status of Dematerialization of the Company's Shares as on March 31, 2010 is as under:

Mode	No. of Shares	% age	No. of Shareholders
Physical mode	7385740	3.08	15347
Electronic mode	232662515	96.92	20936
TOTAL	240048255	100.00	36283

Shares held in physical & demat form as on March 31, 2010



Report on Corporate Governance (contd.)

For any assistance regarding Share Transfers, Transmissions, change of address, issue of duplicate / lost Share Certificates / exchange of Share Certificate / Dematerialization and other relevant matters, please write to the Registrar and Share Transfer Agent of the Company, at the address given below:

ALPHA SYSTEMS PRIVATE LIMITED
30, RAMANA RESIDENCY
4TH CROSS, SAMPIGE ROAD, MALLESWARAM
BANGALORE – 560 003.
Tel. No. : (080) 2346 0815 to 2346 0818 Fax No. : (080) 2346 0819
email: alfint@vsnl.com
Contact Persons: MR. VIJAYAGOPAL or MR. RAJARAMAN
Investors can also post their queries to 'ubinvestor@ubmail.com'

OWN MANUFACTURING NETWORK

ANDHRA PRADESH – MALLEPALLY	MAHARASHTRA – TALOJA
GOA – PONDA	PUNJAB – LUDHIANA
KERALA – CHERTHALA & PALAKKAD	WEST BENGAL – KALYANI
KARNATAKA – MANGALORE & NELMANGALA	RAJASTHAN – CHOPANKI
ORISSA – KHURDA	

CONTRACT MANUFACTURING NETWORK

In addition, the Company also has Manufacturing facilities through Associate Companies/Contract Breweries at Dharuhera, Aurangabad, Kuthambakkam, Alwar, Lucknow, Ghaziabad, Daman, Thiruvallur, Bhopal, Indore, Srikakulam and Medak.

REGISTERED OFFICE
"UB TOWER", UB CITY, 24, VITTAL MALLYA ROAD,
BANGALORE - 560 001
Phone: (91-80) 39855000, 22272806 & 22272807
Fax No. (91-80) 22211964, 22229488
Cable: UBEEGEE

B. NON-MANDATORY REQUIREMENTS

a) Chairman of the Board:

The Chairman of the Board is entitled to maintain a Chairman's office at the Company's expense and allowed reimbursement of expenses incurred in performance of his duties.

b) Remuneration Committee:

The Company has set up a remuneration Committee.

c) Shareholder Rights:

The Company's half yearly results are published in English and Kannada Newspapers having wide circulation and are also displayed on the Company's website. Press Releases are also issued which are carried by a few newspapers and also displayed on the Company's website. Hence, same are not sent to the shareholders.

d) Audit Qualifications:

There are no qualifications or adverse remarks in the Auditors' Report which require any clarification or explanation.

e) Training of Board Members:

Having regard to the seniority and expertise in their respective areas of specialization, their training is not considered necessary for the time being.

Report on Corporate Governance (contd.)

f) Mechanism for evaluating Non-Executive Directors:

The Board may at its discretion consider such requirement in future.

g) Whistle Blower Policy:

Though covered briefly in the code of conduct adopted by the Company, the Board may consider adopting a separate mechanism for Whistle Blower Policy in future.

COMPLIANCE WITH CODE OF BUSINESS CONDUCT AND ETHICS

In accordance with Clause 49 sub-clause (l) (D) (ii) of the Listing Agreement, it is hereby confirmed that during the year 2009-2010, all the members of the Board of Directors and Senior Managerial personnel have affirmed their Compliance with the Company's Code of Business Conduct and Ethics.

Place: Bangalore
Date: July 21, 2010

Kalyan Ganguly
Managing Director



Report on Corporate Governance (contd.)

COMPLIANCE CERTIFICATE

To the Members of
UNITED BREWERIES LIMITED

Certificate of Compliance with the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement

We have examined the compliance of conditions of Corporate Governance by United Breweries Limited for the year ended on March 31, 2010, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement, save and except the condition relating to number of independent Directors on the Board which stands complied as on the date of this report.

We state that in respect of investor grievances received during the year ended on March 31, 2010, no grievances are pending against the Company as per records maintained by the Company and presented to the Shareholders'/Investors' Grievance Committee.

We further state that such compliance is neither an assurance as to future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.


UNITED BREWERIES LIMITED

M R Gopinath
Company Secretary (In practice)
Bangalore

Date: July 21, 2010

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