

## Notes on Accounts for the year ended March 31, 2010

Rs. in Thousands

### SCHEDULE 19

#### Notes on Accounts

- During the quarter ended June 30, 2008 the Company has raised Rs.4,248,854 through an issue of shares on rights basis (Rights Issue).The proceeds of the Rights Issue have been utilised in the following manner:
  - Rs.2,026,980 (2009: Rs.3,197,096) for repayment of cash credit/overdraft accounts and for additional working capital requirements.
  - Rs.1,731,874 (2009: Rs.501,500) for Capital Expenditure.
  - Pending utilisation the balance proceeds of Rs.490,000 (2009: Rs.550,258) have been invested in mutual funds.

#### 2. Loan Funds:

Particulars		2010	2009
<b>(a)</b>	<b>Secured Loans</b>		
	(i) Foreign Currency Loans [including interest accrued and due Rs.17,920 (2009: Rs.19,923)] Amount repayable within one year – Rs.886,570 (2009: Rs.960,729) Foreign Currency Loan consists of External Commercial Borrowing (ECB) from BNP Paribas and demand loan from Axis Bank. ECB from BNP Paribas is secured by first charge on all moveable and immovable properties of the Company except Taloja plant. Foreign currency demand loan from Axis Bank is secured by first charge on the current assets namely, stock of raw materials, work in progress and finished goods, stores and spares, bills receivable and book debts.	<b>1,530,677</b>	2,074,321
	(ii) Term Loan from Banks Secured by First Charge over all moveable and immovable assets. Amount repayable within one year – Rs.164,384 (2009: Rs.164,384)	<b>493,151</b>	657,534
	(iii) Term Loan from Banks Secured by Pari-passu charge on all moveable and immovable properties of the Company except Taloja plant. Amount repayable within one year – Rs.250,000 (2009: Rs.250,000)	<b>562,500</b>	812,500
	(iv) From Banks [including interest accrued and due Rs.5,053 (2009: Rs.5,321)] Amount repayable within one year – Rs.2,374,013 (2009: Rs.866,204) Secured by hypothecation of stock in trade, stores, raw materials, book debts and a second charge on all the immovable properties of the Company.	<b>2,374,013</b>	866,204
<b>(b)</b>	<b>Unsecured Loans</b>		
	(i) Loans from Banks [including interest accrued and due Rs. Nil (2009: Rs.Nil)] Amount repayable within one year – Rs.Nil (2009: Rs.Nil) *Covered by personal guarantee of a director of the Company.	<b>1,750,000*</b>	1,750,000*
	(ii) From Others Amount repayable within one year – Rs.Nil (2009: Rs.Nil)	<b>3,006</b>	3,006

#### 3. Fixed Assets:

Buildings amounting to Rs.53,030 (2009: Rs.49,619) and Plant and Machinery amounting to Rs.502,517 (2009: Rs.473,319) are in premises not owned by the Company.

#### 4. Investments:

The investments in Millennium Alcobev Private Limited and Maltex Malsters Limited are strategic in nature and the diminution in their respective book values is considered temporary. The Company has obtained an independent valuations which are in excess of the carrying costs of the respective investments, and hence, no provision for diminution in the value of the investments is considered necessary.

## Notes on Accounts for the year ended March 31, 2010 (contd.)

Rs. in Thousands

5. Upon expiry of earlier approval granted by the Central Government, fresh application under Section 314 of the Companies Act, 1956 for payment of remuneration for the period November 1, 2009 to March 31, 2010 aggregating to Rs.1,650 to an employee related to a Director of the Company is pending approval of the Central Government.

### 6. Investor Education and Protection Fund:

There are no overdue balances unremitted to the fund under section 205C of the Companies Act, 1956.

### 7. Disclosure of dues/ payments to micro and small enterprises to the extent such enterprises are identified by the Company.

Sl.No.	Particulars	2010	2009
(i)	The principal amount remaining unpaid as at year end.	9,505	4,176
(ii)	Interest due thereon remaining unpaid on year end.	42	44
(iii)	The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	—	—
(iv)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	—	—
(v)	The amount of interest accrued and remaining unpaid on year end.	1,980	1,515
(vi)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	2,022	1,559

The information given above and in Schedule 11 has been determined to the extent such parties have been identified by the Company, on the basis of information disclosed by the creditors, which has been relied upon by the auditors.

### 8. Segmental Reporting:

The Company is engaged in manufacture, purchase and sale of beer including licensing of brands which constitutes a single business segment. The Company operates only in India. Accordingly, primary and secondary reporting disclosures for business and geographical segment as envisaged in AS-17 are not applicable to the company.

### 9. Capital Commitments:

Particulars	2010	2009
Estimated amount of Contracts remaining to be executed (net of capital advances) on capital account and not provided for	257,321	689,134

### 10. Contingent Liabilities:

Particulars	2010	2009
a) Sales Tax/other taxes demands under appeal*	14,672	14,672
b) Employees State Insurance Demand*	265	265
c) Demand towards Water charges under appeal*	—	133,019
d) Excise Duty/Customs Duty demands under appeal*	36,709	36,709
e) Income Tax demands under appeal*	188,844	82,262
f) Service Tax demands under appeal*	229,114	377,708
g) Claims against the Company not acknowledged as debt*	30,568	27,377
h) Letter of Credit outstanding	78,926	33,230

## Notes on Accounts for the year ended March 31, 2010 (contd.)

Rs. in Thousands

i)	Guarantees given by the company: – on behalf of Subsidiaries of Joint Venture to third parties		
	Millennium Beer Industries Limited	800,000	800,000
	United Millennium Breweries Limited	600,000	600,000
	Empee Breweries Limited	730,000	730,000
	– to third parties	19,060	28,348
j)	Letter of undertaking to distributors towards countervailing duty for imports from Nepal	38,500	38,500

\*In the opinion of the management, the above demands / claims are not sustainable in law and accordingly no provision has been made in the accounts.

### 11. Operating Lease:

The Company has entered into leasing arrangements for vehicles, computers, equipments, office premises and residential premises that are renewable on a periodic basis, and cancellable/ non-cancellable in nature. Such leases are generally for a period of 11 to 60 months with options of renewal against increased rent and premature termination of agreement through notice period of 2 to 3 months, except in the case of certain leases where there is a lock-in period of 11 to 26 months.

Particulars	2010	2009
Lease payments during the year including Minimum lease payments Rs. 4,999 (2009: Rs.4,999) on non-cancellable leases.	82,608	80,307
At the balance sheet date, future minimum lease rentals under non-cancellable operating leases are as under:		
Not later than one year	17,518	28,288
One to five years	15,374	12,887
<b>Total</b>	<b>32,892</b>	<b>41,175</b>

### 12. Related party disclosures:

#### A Name of the related parties:

##### (1) Subsidiary:

Associated Breweries & Distilleries Limited (ABDL)  
Maltex Malsters Limited (MML)

##### (2) Associate:

United East Bengal Football Team Private Limited (UEBFTPL)

##### (3) Joint Venture:

Millennium Alcobev Private Limited (MAPL)

##### (4) Subsidiaries of the Joint Venture:

(a) Empee Breweries Limited (EBL)  
(b) United Millennium Breweries Limited (UMBL)  
(c) Millennium Beer Industries Limited (MBIL)

##### (5) Entity which has significant influence:

Scottish & Newcastle India Limited (SNIL)

##### (6) Others:

(a) Scottish & Newcastle Plc, (S & N), Holding Company of SNIL  
(b) Scottish & Newcastle UK Limited (SNUK), Fellow Subsidiary of SNIL  
(c) Scottish & Newcastle India Private Limited (SNIPL), Fellow Subsidiary of SNIL

##### (7) Key Management Personnel (KMP):

Mr. Kalyan Ganguly  
Mr. Guido de Boer (Part of the year)

##### (8) Relative of Key Management Personnel:

Mrs. Suparna Bakshi Ganguly (Wife of Mr. Kalyan Ganguly)

# Notes on Accounts for the year ended March 31, 2010 (contd.)

Rs. in Thousands

## B. (i) Transactions with related parties during the year:

Particulars	MBIL		MAPL		UMBL		EMPEE		UEBFTPL		KMP		MML	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Purchase of goods	2,131,421	2,374,835	—	—	7,489	4,304	31,004	6,061	—	—	—	—	—	—
Sale of goods (including sales taxes / VAT)	186,164	187,471	—	—	94,181	86,994	82,898	76,336	—	—	—	—	—	—
Receipts/(Payments) against rendering Services	45,363	30,671	—	—	32,975	32,897	1,690	—	—	—	—	—	—	—
Brand Fees paid	25,398	18,021	—	—	—	—	—	—	—	—	—	—	—	—
Technical, Advisory and Management Fee	—	100,000	—	—	40,000	40,000	160,000	100,000	—	—	—	—	—	—
Sponsorship and other payments	—	—	—	—	—	—	—	—	52,042	56,767	—	—	—	—
Guarantee Commission received	8,022	8,000	—	—	6,000	6,000	7,300	7,300	—	—	—	—	—	—
Purchase of Assets	135	5,397	—	—	15,249	2,386	—	26	—	—	—	—	—	—
Sale of Assets/Spares	71	—	—	—	12,239	5,264	—	225	—	—	—	—	—	—
Lease Rentals on Machinery	3,223	2,798	—	—	—	—	—	—	—	—	—	—	5,682	5,901
Interest Paid	—	—	—	—	—	—	—	—	—	—	—	—	1,720	2,021
Recovery of employees Salaries (on deputation)	18,259	18,690	—	—	5,536	6,253	9,175	7,884	—	—	—	—	—	—
Payments (For Supplies including loan in cash or kind)	2,320,534	2,602,249	19,130	15,315	116,033	19,649	(233,701)	(211,572)	52,034	50,248	—	—	8,841	8,499
Remuneration to Directors*	—	—	—	—	—	—	—	—	—	—	41,035	34,354	—	—
Guarantees and Collaterals	Refer Schedule 19 Note 10(i)													
Amount Due From/(To)	1,163,240	745,006	65,469	46,339	731,685	447,458	102,358	106,001	(26)	(18)	—	—	(10,697)	(12,136)

\* Kalyan Ganguly: Rs.34,266 (2009: Rs.34,354)

[Including payment to relative of KMP and a firm in which such relative is a partner – Rs.Nil (2009: Rs.2,883)]

Guido de Boer: Rs.6,769 (2009: Rs.Nil)

Figures in bracket indicate amounts received

## (ii) Transactions with Subsidiaries:

Balance due from AB DL – Rs.83,865 (2009: Rs.83,791)

## C. Transactions with S & N Group

### 1. Transaction with S & N

Management Fees

Rs. 45,000 (2009: Rs.Nil)

### 2. Transactions with SNUK

Interest on ECB

Rs. Nil (2009: Rs.17,852)

Purchase of Raw Material

Rs. 123 (2009: Rs.186)

### 3. Transactions with SNIL

Balance of Preference Share Capital

Rs. 2,469,000 (2009: Rs.2,469,000)

Dividend on above

Rs. 74,070 (2009: Rs.74,070)

Interim Dividend on Equity Shares

Rs. Nil (2009: Rs.13,499)

Final Dividend on Equity Shares

Rs. 13,499 (2009: Rs.Nil)

## 13. Earnings per Share:

	Particulars	2010	2009
a)	Profit after taxation as per profit and loss account	969,709	624,940
b)	Less: Preference Dividend (including dividend distribution tax thereon)	86,658	86,658
c)	Net Profit attributable to equity shareholders	883,051	538,282
d)	Weighted average number of equity shares outstanding (Face value of Re.1 per share)	240,048,255	234,589,624
e)	Earnings per share (Basic/Diluted)	3.68	2.29

## Notes on Accounts for the year ended March 31, 2010 (contd.)

Rs. in Thousands

### 14. Remuneration to Auditors:

Particulars	2010	2009
Fees	3,900	3,900
Tax Audit	560	560
Out of Pocket Expenses	167	287
Other Services	1,890	1,320
Service Tax	671	742
<b>Total</b>	<b>7,188</b>	<b>6,809</b>

### 15. Accounting for Taxes on Income:

Deferred Tax - The net deferred tax liability amounting to Rs. 216,306 (2009: Rs. 173,122) has been arrived as follows:

Particulars	2010	2009
Deferred Tax Liability arising from:		
Difference between carrying amount of fixed assets in the financial statements and the Income Tax Return	263,947	213,433
<b>Less:</b> Deferred tax asset arising from:		
Expenses charged in the financial statements but allowable as deductions in future years under the Income Tax Act, 1961	25,500	18,528
Provision for Doubtful Debts	22,141	21,783
<b>Net deferred tax liability</b>	<b>216,306</b>	<b>173,122</b>
Movement during the year	(43,184)	(82,820)
Net Deferred tax charged off / (written back) in the profit and loss account	(43,184)	(82,820)

The tax impact for the above purpose has been arrived by applying a tax rate of 33.22% (2009: 33.99%) being the substantively enacted tax rate for Indian Companies under the Income Tax Act, 1961.

### 16. Remuneration/Commission to Directors:

#### a) Remuneration to Executive Directors

Particulars	2010	2009
Salary and Allowances	32,480	23,762
Contribution to Provident and Other Funds	4,235	3,622
Perquisites	4,320	4,087
<b>Total</b>	<b>41,035</b>	<b>31,471</b>

Provision for contribution to employee retirement and other employee benefits which are based on actuarial valuation done on an overall Company basis are excluded from the above disclosure.

#### b) Commission to Non Executive Directors – Rs.14,511 (2009: Rs. 10,612)

#### c) Computation of net profits in accordance with Section 198 of the Companies Act, 1956:

Particulars	2010		2009	
Net Profit after taxation		969,709		624,940
<b>Add:</b>				
Depreciation and Amortisation (as per accounts)	882,692		762,150	
Executive Directors' Remuneration	41,035		31,471	
Directors' Fees	1,155		1,160	
Commission to Non Executive Directors	14,511		10,612	
Provision/(Write back) for doubtful debts and advances (net)	1,067		1,998	
Book deficit/(surplus) on fixed assets sold, scrapped, etc. (net)	3,426		2,185	
Taxation for the year	541,579	1,485,465	391,769	1,201,345
		<b>2,455,174</b>		<b>1,826,285</b>
<b>Less:</b>				
Depreciation as per Section 350		882,692		762,150
Deficit / (Surplus) on disposal of fixed assets (net) as per Section 349		3,426		2,185
Profit on sale of Investment		117,982		—
Net Profit for Section 198 of the Companies Act, 1956		<b>1,451,074</b>		<b>1,061,950</b>

# Notes on Accounts for the year ended March 31, 2010 (contd.)

Rs. in Thousands

Remuneration Limit to Executive Directors – 10% (2009: 5%) of Net Profit as computed above.		<b>145,107</b>		53,595
Commission to Non Executive Directors – 1% of Net Profit as computed above.		<b>14,511</b>		10,620
<b>Remuneration Paid:</b>				
Executive Directors		<b>41,035</b>		31,471
Non Executive Directors		<b>14,511</b>		10,612

## 17. Quantitative Details:

### A. Quantitative Particulars

Particulars	2010		2009	
	Beer in Hecto Litres	Value in Rs.	Beer in Hecto Litres	Value in Rs.
Licensed Capacity*	<b>8,585,000</b>		5,995,000	
Installed Capacity per annum*	<b>7,030,000</b>		6,110,000	
Actual Production for the year	<b>4,340,391</b>		3,683,651	
Sales – during the year	<b>4,324,612</b>	<b>24,201,951</b>	3,676,610	19,704,934
Malt Sales in Tonnes during the year	<b>25,632</b>	<b>437,518</b>	19,966	383,195
Opening Stock – Finished Goods	<b>64,292</b>	<b>141,002</b>	57,251	183,385
Closing Stock – Finished Goods	<b>80,071</b>	<b>175,600</b>	64,292	141,002

\*Note: Licensing of products of the Company under the Industries (Development and Regulation) Act, 1951 is discontinued and consequently the reported capacities are as per permissions obtained from the respective regulatory authorities on a yearly basis. As regards installed capacity, the same has been certified by the Management and relied upon by the Auditors, being a technical matter.

### B. Particulars of Goods Traded by the Company

Particulars	2010		2009	
	Quantity in Hecto Litres	Value in Rs.	Quantity in Hecto Litres	Value in Rs.
Opening Stock	<b>1,248</b>	<b>3,707</b>	1	6
Purchases during the year	<b>481,607</b>	<b>2,006,411</b>	450,203	2,087,358
Sales during the year	<b>477,012</b>	<b>3,865,887</b>	448,956	3,476,844
Closing Stock	<b>5,843</b>	<b>19,949</b>	1,248	3,707

### C. Consumption of Raw Materials

Particulars	2010		2009	
	Quantity in Tonnes	Value in Rs.	Quantity in Tonnes	Value in Rs.
Malt	<b>53,880</b>	<b>1,205,383</b>	45,660	1,082,006
Brewing Materials	<b>36,274</b>	<b>1,145,253</b>	30,302	910,637
Other Materials*		<b>170,940</b>		148,505
<b>Total</b>		<b>2,521,576</b>		2,141,148

\* In view of the large number of items, individually comprising less than 10% of the total consumption, quantitative details are not given.

## 18. Value of Imports during the year calculated on CIF basis:

Particulars	2010	2009
Raw Materials	<b>366,030</b>	208,882
Components and Spares	<b>20,834</b>	656,877
Capital Goods	<b>31,294</b>	97,196

## Notes on Accounts for the year ended March 31, 2010 (contd.)

Rs. in Thousands

### 19. Consumption:

Particulars	2010		2009	
	Value	Percentage to total Consumption	Value	Percentage to total Consumption
Value of Imported Raw Materials Consumed	153,898	6	133,622	6
Value of indigenous Raw Materials Consumed	2,367,678	94	2,007,526	94
Value of Imported Packing materials and stores and Spares Consumed	360,763	7	854,216	21
Value of indigenous Packing materials and stores and Spares Consumed	4,835,541	93	3,180,920	79

### 20. Expenditure in Foreign Currency:

Particulars	2010	2009
Foreign Travel expenses of employees and others (net of recoveries)	11,717	9,152
Management Fees	45,000	—
Selling and Distribution expenses	117,617	169,725
Interest and Finance charges	54,028	167,181
Others	4,214	1,028

### 21. Earnings in Foreign Exchange:

Particulars	2010	2009
Services – Royalty	9,422	10,043

### 22. Details of Dividend:

Particulars	2010	2009
Dividend payable on Preference Share Capital @3%	74,070	74,070
Dividend Distribution tax payable on above	12,588	12,588
Interim Dividend paid on Equity Shares @15%	—	36,007
Dividend Distribution tax paid on above	—	6,120
Final Dividend payable on Equity Shares @36% (2009: 15%)	86,417	36,007
Dividend Distribution tax payable on above	14,353	6,120
<b>Total</b>	<b>187,428</b>	<b>170,912</b>

### 23. Details of Dividend paid in Foreign Currency:

Particulars	2010	2009
Number of non-resident shareholders	1	1
Number of Equity Shares held on which dividend was due	89,994,960	89,994,960
Amount remitted	13,499	13,499
Number of Preference Share held on which dividend was due	24,690,000	24,690,000
Amount remitted	74,070	74,070

## Notes on Accounts for the year ended March 31, 2010 (contd.)

### 24. (i) Disclosures envisaged in AS 15 in respect of gratuity are given below:

Particulars		2010	2009	2008
<b>A)</b>	<b>Reconciliation of opening and closing balances of the present value of the defined benefit obligation:</b>			
	Obligations at period beginning	153,948	142,593	116,056
	Service Cost	8,369	13,052	43,502
	Interest cost	11,818	9,601	9,284
	Benefits settled	(12,456)	(10,881)	(25,964)
	Actuarial (gain)/loss	(250)	(417)	(285)
	<b>Obligations at period end</b>	<b>161,429</b>	<b>153,948</b>	<b>142,593</b>
<b>B)</b>	<b>Change in plan assets</b>			
	Plan assets at period beginning, at fair value	133,055	136,455	116,056
	Expected return on plan assets	10,155	10,657	9,284
	Actuarial gain/(loss)	(1,698)	(7,569)	10,799
	Contributions	25,109	4,393	26,280
	Benefits settled	(12,456)	(10,881)	(25,964)
	<b>Plan assets at period end, at fair value</b>	<b>154,165</b>	<b>133,055</b>	<b>136,455</b>
<b>C)</b>	<b>Reconciliation of present value of the obligation and the fair value of the plan assets:</b>			
	Fair value of plan assets at the end of the year	154,165	133,055	136,455
	Present value of the defined benefit obligations at the end of the period	161,429	153,948	142,593
	<b>Liability recognised in the balance sheet</b>	<b>(7,265)</b>	<b>(20,893)</b>	<b>(6,138)</b>
<b>D)</b>	<b>Details of Gratuity cost</b>			
	Service cost	8,369	13,052	43,502
	Interest cost	11,818	9,601	9,284
	Expected return on plan assets	(10,155)	(10,657)	(9,284)
	Prior Period Adjustment	—	—	(23,739)
	Actuarial (gain)/loss	1,447	6,243	6,243
	<b>Net gratuity /cost</b>	<b>11,479</b>	<b>18,239</b>	<b>26,006</b>
<b>E)</b>	<b>Description of the basis used to determine the overall expected rate of return on assets including major categories of plan assets.</b>			
	The expected return is calculated on the average fund balance based on the mix of investments and the expected yield on them.			
	Actual return on plan assets (Value)	12,371	7,001	23,997
	Actual return on plan assets	8,457	3,087	20,083
<b>F)</b>	<b>Assumptions</b>			
	Interest rate	8.00%	7.00%	8.00%
	Discount factor	8.00%	7.00%	8.00%
	Estimated rate of return on plan assets	8.00%	8.00%	8.00%
	Salary Increase	5.00%	5.00%	5.00%
	Attrition rate	1.00%	1.00%	1.00%
	Retirement age	58	58	58

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the Employment market.



## Notes on Accounts for the year ended March 31, 2010 (contd.)

Rs. in Thousands

- (ii) Contribution to Provident and Other Funds under Manufacturing and Other Expenses (Schedule 15) includes Rs.49,122 (2009: Rs.39,174) being expenses debited under the following defined contribution plans:

Particulars	2010	2009	2008
Provident Fund	36,034	28,225	28,815
Superannuation	13,088	10,949	9,352

### 25. Disclosure Under Accounting Standard 21 and 27

- a. The disclosure required with respect to the holdings in subsidiaries are given below:

Name	Country of Incorporation	Percentage of ownership interest at March 31, 2010	Percentage of ownership interest at March 31, 2009
Associated Breweries & Distilleries Limited (ABDL)	India	100	100
Maltex Malsters Limited (MML)	India	51	51

The reporting date of the subsidiaries and the accounting policies of the subsidiaries are same as those of the holding company.

- b. The disclosure required with respect to the holdings in associates are given below:

Name	Country of Incorporation	Percentage of ownership interest at March 31, 2010	Percentage of ownership interest at March 31, 2009
United East Bengal Football Team Private Limited (UEBFTPL)	India	50	50

- c. The Company's interests, as a venturer, in jointly controlled entity (Incorporated Joint Venture) are:

Name	Country of Incorporation	Percentage of ownership interest at March 31, 2010	Percentage of ownership interest at March 31, 2009
Millennium Alcobev Private Limited	India	50*	50*

\* of the 50% of ownership interest, 10% represents control exercised through the subsidiary Associated Breweries & Distilleries Limited (ABDL)

The aggregate amounts of each of the assets, liabilities, income and expenses related to the Company's interests in the jointly controlled entity is as follows:

Particulars	2010	2009
<b>Assets</b>		
Fixed Assets	887,322	955,019
<b>Current Assets, Loans and Advances</b>		
Inventories	243,453	158,103
Sundry Debtors	532,311	294,630
Cash and Bank Balances	93,187	93,352
Loans and Advances	78,258	83,168
<b>Liabilities</b>		
Secured Loans	1,018,398	1,248,766
Unsecured Loans	223,489	223,489
<b>Current Liabilities and Provisions</b>		
Liabilities	1,601,224	1,093,005
Provisions	2,717	2,111

# Notes on Accounts for the year ended March 31, 2010 (contd.)

Rs. in Thousands

Particulars	2010	2009
<b>Income</b>		
Sales less excise duty	<b>2,780,518</b>	2,311,864
Other Income	<b>54,729</b>	42,826
<b>Expenditure</b>		
Cost of Sales	<b>1,882,475</b>	1,563,138
Other Expenses	<b>731,623</b>	665,402
Interest and Finance Charges	<b>111,888</b>	159,637
Depreciation and Amortisation	<b>154,057</b>	129,402
<b>Other Matters</b>		
Capital Commitments		
- Estimated amount of Contracts remaining to be executed on capital account and not provided for	<b>8,896</b>	46,348
Contingent Liabilities		
- Sales Tax/other taxes demands under appeal	<b>3,774</b>	3,281
- ESIC / PF demands under appeal	<b>845</b>	898
- Bank Guarantee given to Commissioner of Excise for Export of Beer	<b>10,155</b>	5,855
- Demand towards Water charges under appeal	—	26,250
- Interest for delayed payment of Interest Free Loans	<b>1,169</b>	4,829
- Dividend on 1% Non Convertible Cumulative Redeemable Preference Shares	<b>27,750</b>	18,500
- Income Tax*	<b>5,055</b>	22,028
Claims against the Company not acknowledged as debt	<b>5,877</b>	6,107

\*Net of Deposit under appeal – Rs.3,789 (2009: Rs. 1,018)

**26.** The Company does not own any brewing facility in Tamil Nadu, which is one of the major markets in India contributing about 18% of the Company's business. With an intention of ensuring supplies from Balaji Distilleries Limited (BDL), having brewing facilities in Tamil Nadu, the Company has entered into an agreement with the promoters of BDL to secure to the Company perpetual usage of the brewery owned by BDL, and has advanced an amount of Rs.1,550,000 to one of the Promoter Companies of BDL, acting for and on behalf of the other Promoters also.

Subsequently, the Boards of Directors of BDL and United Spirits Limited (USL) have considered and approved a proposal for merger of BDL into USL, which is subject to obtaining of the necessary regulatory approvals by both the Companies. The Company has obtained a commitment from USL that the arrangement with Promoters will be adhered to on completion of the proposed merger. The advance will be repaid upon the completion of the merger or in accordance with the terms of the related Agreement, whichever is earlier.

In June 2009, BDL has allotted 90,000 Equity Shares upon conversion of warrants to certain parties. These parties have entered into a supplemental agreement with the Company to the effect that they will be bound by the terms and conditions of the earlier agreement between the Company and the promoters of BDL.

**27.** As the Company does not have any long term monetary item since April 1, 2007 till date, the change in the accounting policy referred to in Schedule 18 note 8 (b) has no impact on the profit for the year.

**28.** All amounts disclosed in Notes to Account and other Schedules are in Rs. 000 except for:

- Number of Shares / units in Notes on Schedule 1, Schedule 5, Note 13, Note 23, and Note 26.
- Basic and Diluted EPS in the Profit and Loss Account and in Note 13.
- Quantitative data in Note 17.

**29.** The previous year's figures have been regrouped to conform to current year's classification.

For **Price Waterhouse**  
Firm Registration Number: 007568 S  
Chartered Accountants

**J. Majumdar**  
Partner  
Membership No. F51912

Bangalore, July 21, 2010.

**Kalyan Ganguly**  
Managing Director

**Govind Iyengar**  
Company Secretary

Bangalore, July 21, 2010.

**Guido de Boer**  
Director & CFO

## Notes on Accounts for the year ended March 31, 2010 (contd.)

### STATEMENT PURSUANT TO SECTION 212(1)(e) OF THE COMPANIES ACT, 1956 AS AT MARCH 31, 2010

Rs. in Thousands

Sl. No.	Name of the Subsidiary	a) No. of Equity Shares at the end of the financial year of the Subsidiary		b) Extent of Holdings		Net aggregate Profit/(Loss) of the subsidiary so far as it concerns the Members of the Company			
		United Breweries Limited	Other Subsidiary Companies	United Breweries Limited	Other Subsidiary Companies	Not dealt with in the Accounts of the Company		Dealt with in the Accounts of the Company	
						(i)	(ii)	(i)	(ii)
						For Subsidiary's Financial Year ended 31.3.2010	For previous Financial Years of Subsidiary since it became a Subsidiary	For the Subsidiary's Financial Year ended 31.3.2010	For previous Financial Years of the Subsidiary since it became a Subsidiary
1.	Associated Breweries & Distilleries Ltd.	10,000	—	100%	—	(145)	(1,418)	—	—
2	Maltex Malsters Limited	22,950	—	51%	—	1,967	(972)	—	—

### DISCLOSURE UNDER CLAUSE 32 OF THE LISTING AGREEMENT

Name of the listed Company: United Breweries Limited

Rs. in Thousands

Name of the Company	Amount outstanding as at March 31, 2010	Value of investments as at March 31, 2010	Terms
Subsidiaries:			
Associated Breweries & Distilleries Ltd. (ABDL)	83,865	1,000	No stipulation towards repayment and interest
Maltex Malsters Limited	(10,983)	450,000	—
Joint Venture:			
Millennium Alcobev Pvt. Ltd.	65,469	589,529	No stipulation towards repayment and interest
Associates:			
United East Bengal Football Team Pvt. Ltd.	—	50	—

# Balance Sheet Abstract

## COMPANY'S GENERAL BUSINESS PROFILE

Rs. in Thousands

### I. Registration Details

Registration No.	:	25195
State Code	:	08
Balance Sheet Date	:	31.03.2010

### II. Capital Raised during the year

Public Issue	:	NIL
Right Issue	:	NIL
Bonus Issue	:	NIL
Private Placement	:	NIL

### III. Position of Mobilisation and Deployment of Funds

<b>Total Liabilities</b>	<b>18,527,413</b>	<b>Total Assets</b>	<b>18,527,413</b>
<b>Sources of Funds</b>		<b>Application of Funds</b>	
Paid up Capital	2,709,048	Net Fixed Assets	8,383,207
Reserves & Surplus	8,888,712	Investments	1,530,699
Secured Loans	4,960,341	Net Current Assets	8,613,507
Unsecured Loans	1,753,006	Deferred Tax Assets	NIL
Deferred Credit	NIL	Miscellaneous Expenditure	NIL
Deferred Tax Liability	216,306		

### IV. Performance of Company

Turnover	20,751,328	Total Expenditure (Includes non-recurring items)	19,240,040
Profit Before Tax	1,511,288	Profit After Tax	969,709
Earnings per Share	3.68	Dividend Rate	36%

### V. Generic Names of three Principal Products/Services of the Company

Item Code – ITC Code	22030000
Product Description	Beer made from Malt

**SUMMERISED FINANCIALS OF SUBSIDIARY COMPANY AS REQUIRED IN TERMS OF APPROVAL  
UNDER SECTION 212(8) OF THE COMPANIES ACT, 1956, GRANTED BY THE GOVERNMENT OF INDIA,  
MINISTRY OF CORPORATE AFFAIRS, VIDE LETTER DATED 15.06.2010**

Rs. in Thousands

Sl. No.	Name of the Subsidiary	Issued & Subscribed Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Profit & Loss Account Debit Balance	Turnover	Profit before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend
1.	Associated Breweries & Distilleries Limited	1,000	—	84,865	84,865	83,380	1,563	22	(145)	—	(145)	—
2	Maltex Malsters Limited	4,500	20,763	31,534	31,534	—	—	6,948	2,129	(162)	1,967	—

**Note:**

The Annual Report along with related information of the above companies shall be made available for investors of the Company and its subsidiaries seeking the Report/ information at any point of time. The Annual Report is also available for inspection of investors at the Registered Office of the Companies.