

NOTES:

1. The Company is engaged in manufacture, purchase and sale of beer including licensing of brands which constitute a single business segment. The Company also considers the whole of India as a single geographical segment.
2. The scheme of amalgamation of Karnataka Breweries & Distilleries Pvt. Limited (KBDL), London Pilsner Breweries Private Limited (LPBPL) and London Draft Pubs Private Limited (LDPPL) into the Company effective April 1, 2006 has been granted by the Hon'ble High Courts of Bombay and Karnataka on April 27, 2007 and June 11, 2007 respectively. In view of the amalgamation being granted, the accounts of the Company for the year ended March 31, 2007 include the figures of KBDL, LPBPL and LDPPL. Consequently, the figures for the quarter and financial year ended March 31, 2007 are not comparable with the figures for the corresponding quarter and financial year ended March 31, 2006.
3. The accounts for the year ended March 31, 2007, carry a qualification with regard to diminution in value of investments in a Joint Venture (JV) Millennium Alcobev Private Ltd.,(MAPL) amounting to Rs.58.95 crores. MAPL, being a JV between the Company and S&N, has already made significant inroads into the market by achieving a 10% market share within a period of four years. The said JV has its manufacturing locations in critical markets and meets almost 33% of the Company's capacity requirement. Considering these investments are strategic and long term in nature, the management is of the view that no provision is necessary at this stage.
4. Figures relating to the previous period has been reclassified wherever considered necessary. In view of seasonality of business, the quarterly results are not indicative of the overall profitability of the year.
5. Post March 2007, the Company has commenced production at its newly established state of the art breweries located at chopanki, Rajasthan and Khurda, Orissa thereby creating additional capacity to meet the growing demand for beer. Due to regulatory constraints in Andhra Pradesh, the Hyderabad unit has been functioning at lower production capacity and the resulting shortfall is being met from other own and contract units in that State.

6. The Company has paid dividend @ 3% amounting to Rs. 8.45 Crore (inclusive of distribution tax) to Scottish & Newcastle India Limited on Cumulative Redeemable Preference Shares held by them. In addition to interim dividend on equity shares @ 15% amounting to Rs.3.70 Crore (inclusive of distribution tax) paid in January 2007, the Board has recommended payment of final dividend @ 10% amounting to Rs.2.53 Crore (inclusive of distribution tax), making the total dividend payout on equity shares @ 25% for the financial year 2006-07.
7. Investor complaints pending as on January 1, 2007 were Nil. The complaints received and disposed off during the quarter ended March 31, 2007 were 6 and there were no complaints unresolved as on that date.
8. The audited results for the year ended March 31, 2007 have been approved by the Board of Directors at the meeting held on June 22, 2007.

By the Authority of the Board

Sd/-

Place : SAUMUR, FRANCE
Date : JUNE 22, 2007

KALYAN GANGULY
MANAGING DIRECTOR