Consolidated Balance Sheet as at March 31, 2010

Rs. in Thousands

	Schedule	2010		Joint Venture		Total 2010		*2009*	
SOURCES OF FUNDS									
Shareholders' Funds									
Capital	1	**2,709,048**		**467,000**		**3,176,048**		*3,176,048*	
Reserves and Surplus	2	**8,888,908**	**11,597,956**	**162,603**	**629,603**	**9,051,511**	**12,227,559**	*8,267,408*	*11,443,456*
Loan Funds	3								
Secured Loans		**4,965,912**		**1,018,398**		**5,984,310**		*5,671,620*	
Unsecured Loans		**1,753,706**	**6,719,618**	**223,489**	**1,241,887**	**1,977,195**	**7,961,505**	*1,977,195*	*7,648,815*
Minority Interest [Refer Schedule 19 Note 5]			**11,517**		**—**		**11,517**		*11,517*
Deferred Tax Liability (Net) [Refer Schedule 19 Note 12]			**215,804**		**20,310**		**236,114**		*175,963*
			18,544,895		**1,891,800**		**20,436,695**		*19,279,751*
APPLICATION OF FUNDS									
Goodwill [Refer Schedule 19 Note 4]			**438,062**		**1,428,463**		**1,866,525**		*1,866,525*
Fixed Assets									
Gross Block	4	**10,991,199**		**1,713,052**		**12,704,251**		*10,848,524*	
Less: Accumulated Depreciation and Amortisation		**3,167,124**		**854,768**		**4,021,892**		*3,003,529*	
Net Block		**7,824,075**		**858,284**		**8,682,359**		*7,844,995*	
Capital Work in Progress		**575,331**	**8,399,406**	**29,038**	**887,322**	**604,369**	**9,286,728**	*972,151*	*8,817,146*
Investments	5		**1,163,029**		**(672,854)**		**490,175**		*900,437*
Foreign Currency Monetary Item Translation Difference Account [Refer Schedule 19 Note 18]			**—**		**10,864**		**10,864**		*40,792*
Current Assets, Loans and Advances									
Inventories	6	**1,960,165**		**243,453**		**2,203,618**		*1,788,479*	
Sundry Debtors	7	**6,162,487**		**532,311**		**6,694,798**		*5,005,981*	
Cash and Bank Balances	8	**833,400**		**93,187**		**926,587**		*511,257*	
Other Current Assets	9	**354,491**		**729**		**355,220**		*141,601*	
Loans and Advances	10	**2,694,910**		**77,525**		**2,772,435**		*2,739,532*	
		12,005,453		**947,205**		**12,952,658**		*10,186,850*	
Less: Current Liabilities and Provisions									
Liabilities	11	**3,207,033**		**1,601,224**		**4,808,257**		*3,166,314*	
Provisions	12	**254,022**		**2,717**		**256,739**		*185,271*	
		3,461,055		**1,603,941**		**5,064,996**		*3,351,585*	
Net Current Assets			**8,544,398**		**(656,736)**		**7,887,662**		*6,835,265*
Profit and Loss Account			**—**		**894,741**		**894,741**		*819,586*
			18,544,895		**1,891,800**		**20,436,695**		*19,279,751*
Significant Accounting Policies	18								
Notes on Accounts	19								

The Schedules referred to above and the notes thereon form an integral part of the consolidated financial statements.

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

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

J. Majumdar
Partner
Membership No. F51912

Bangalore, July 21, 2010

Kalyan Ganguly
Managing Director

Guido de Boer
Director & CFO

Govind Iyengar
Company Secretary

Bangalore, July 21, 2010

Consolidated Profit and Loss Account for the year ended March 31, 2010

Rs. in Thousands

	Schedule	2010		Joint Venture		Total 2010		*2009*	
INCOME									
Sales and Service	13	**29,558,009**		**3,923,936**		**33,481,945**		*27,853,325*	
Less: Excise Duty		**9,583,515**		**1,143,418**		**10,726,933**		*8,558,750*	
		19,974,494		**2,780,518**		**22,755,012**		*19,294,575*	
Other Income	14	**776,871**	**20,751,365**	**54,729**	**2,835,247**	**831,600**	**23,586,612**	*535,816*	*19,830,391*
EXPENDITURE									
Cost of Sales	15	**12,167,650**		**1,882,473**		**14,050,123**		*12,030,743*	
Other Expenses	16	**5,630,767**		**731,623**		**6,362,390**		*4,993,021*	
Interest and Finance Charges	17	**553,319**		**111,888**		**665,207**		*1,054,338*	
Depreciation and Amortisation		**886,357**	**19,238,093**	**154,057**	**2,880,041**	**1,040,414**	**22,118,134**	*896,347*	*18,974,449*
Profit / (Loss) before taxation			**1,513,272**		**(44,794)**		**1,468,478**		*855,942*
Provision for Taxation									
- Current tax		**(498,614)**		**(13,337)**		**(511,951)**		*(296,072)*	
- Fringe Benefit Tax		—		—		—		*(15,830)*	
- Deferred Tax (Charge)/Write back		**(43,127)**	**(541,741)**	**(17,024)**	**(30,361)**	**(60,151)**	**(572,102)**	*(88,248)*	*(400,150)*
Profit / (Loss) after taxation			**971,531**		**(75,155)**		**896,376**		*455,792*
Profit / (Loss) brought forward from previous year			**1,413,031**		**(819,586)**		**593,445**		*368,485*
Adjustment on account of adoption of Accounting Standard 11 on 'Foreign exchange fluctuation'			—		—		—		*5,080*
			2,384,562		**(894,741)**		**1,489,821**		*829,357*
Less: Appropriations									
Transfer to General Reserve			**(100,000)**		—		**(100,000)**		*(65,000)*
Dividend [Refer Schedule 19 Note 15]			**(187,428)**		—		**(187,428)**		*(170,912)*
Balance carried to Balance Sheet			**2,097,134**		**(894,741)**		**1,202,393**		*593,445*
Earnings per share (Basic/Diluted) [Refer Schedule 19 Note 14]							**3.37**		*1.57*
Significant Accounting Policies	18								
Notes to Accounts	19								

The Schedules referred to above and the notes thereon form an integral part of the consolidated financial statements.

This is the Consolidated Profit and Loss Account referred to in our report of even date.

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

J. Majumdar
Partner
Membership No. F51912

Bangalore, July 21, 2010

Kalyan Ganguly
Managing Director

Guido de Boer
Director & CFO

Govind Iyengar
Company Secretary

Bangalore, July 21, 2010

Consolidated Cash Flow Statement for the year ended March 31, 2010

Rs. in Thousands

		2010		2009	
A	**Cash Flow from Operating Activities**				
	Profit before taxation and non-recurring items		**1,468,478**		*855,942*
	Adjustments for:				
	Dividend Income	**(3,868)**		*(48,954)*	
	Interest Income	**(328,516)**		*(150,541)*	
	Depreciation and Amortisation	**1,040,414**		*896,347*	
	(Profit)/Loss on Sale of Assets	**3,354**		*2,159*	
	(Profit)/Loss on Sale of Investments	**(117,982)**		*(2)*	
	Bad Debts Written Off	**—**		*9,699*	
	Bad Advances written off	**10,947**		*5,866*	
	Provision for Doubtful Debts	**3,005**		*2,716*	
	Provision for Doubtful advances	**399**		*1,000*	
	Interest Expenses (Net)	**665,207**		*1,054,338*	
	Liability no longer required written back	**(62,173)**		*(56,594)*	
	Provision for Doubtful Debts no longer required written back	**(172)**		*(1,880)*	
	Provision for Doubtful Advances no longer required written back	**(23)**		*(367)*	
	Investment written off	**4**		*—*	
	Provision for Idle assets / Fixed Assets written off	**—**		*31*	
	Inventory written off including provisions	**1,289**	**1,211,885**	*622*	*1,714,440*
	Operating profits before Working Capital changes		**2,680,363**		*2,570,382*
	Adjustment for working capital changes:				
	(Increase) / Decrease in Sundry Debtors	**(1,691,650)**		*(1,453,005)*	
	(Increase) / Decrease in Inventories	**(416,428)**		*(481,911)*	
	Increase / (Decrease) in Current Liabilities and Provisions	**1,654,768**		*264,143*	
	(Increase) / Decrease in Other Current Assets, Loans and Advances	**(77,848)**	**(531,158)**	*(1,561,786)*	*(3,232,559)*
	Cash Generated from Operations		**2,149,205**		*(662,177)*
	Direct Taxes paid (including TDS)		**(416,157)**		*(301,363)*
	Net Cash Generated / (used in) from Operating Activities		**1,733,048**		*(963,540)*
B	**Cash Flow from Investing Activities**				
	Purchase of Fixed Assets		**(1,530,753)**		*(1,688,872)*
	Interest Income		**114,897**		*11,335*
	Dividend Income		**3,868**		*48,954*
	Sale of Fixed Assets		**17,404**		*18,332*
	Sale /(Purchase) of Investments (Net)		**528,240**		*(900,243)*
	Net cash used in Investing Activities		**(866,344)**		*(2,510,494)*

Consolidated Cash Flow Statement for the year ended March 31, 2010 (contd.)

Rs. in Thousands

		2010	2010	2009	2009
C	**Cash Flow from Financing Activities**				
	(Repayments)/Proceeds of Unsecured loans (net)		—		*907,309*
	(Repayments) / Proceeds from Bank borrowings (net)		**346,221**		*(158,797)*
	Rights Issue Proceeds		—		*4,248,854*
	Interest Paid		**(668,810)**		*(1,092,787)*
	Dividend paid		**(128,785)**		*(128,785)*
	Net Cash Generated from / (used in) Financing Activities		**(451,374)**		*3,775,794*
	Net Increase / (Decrease) in cash and cash equivalents		**415,330**		*301,760*
	Opening Cash and Cash equivalents				
	Cash and Cheques on hand including Remittances in Transit	**4,620**		*8,404*	
	Bank Balances	**506,637**	**511,257**	*201,093*	*209,497*
	Closing Cash and Cash equivalents				
	Cash and Cheques on hand including Remittances in Transit	**3,230**		*4,620*	
	Bank Balances	**923,357**	**926,587**	*506,637*	*511,257*

Notes:

1. The above Cash Flow Statement has been compiled from and is based on the Balance Sheet as at March 31, 2010 and the related Profit and Loss Account for the year ended on that date.
2. The above Cash Flow Statement has been prepared in consonance with the requirements of Accounting Standard (AS)-3 on Cash Flow Statements as notified under Section 211(3C) of the Companies Act, 1956 and reallocation required for this purpose are as made by the Company.
3. Cash and cash equivalents include Rs.10,350 *(2009: Rs.19,820)* which are not available for use by the Company. [Refer Note on Schedule 8]
4. Previous year's figures have been regrouped / reclassified wherever necessary to conform with current year's classification.

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

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

J. Majumdar
Partner
Membership No. F51912

Bangalore, July 21, 2010

Kalyan Ganguly
Managing Director

Guido de Boer
Director & CFO

Govind Iyengar
Company Secretary

Bangalore, July 21, 2010

Schedules to Consolidated Balance Sheet

Rs. in Thousands

	2010	Joint Venture	Total 2010	*2009*
SCHEDULE 1				
Capital				
Authorised				
300,000,000 *(2009: 300,000,000)* Equity shares of Re.1 each	**300,000**	—	**300,000**	*300,000*
25,000,000 *(2009: 25,000,000)* Preference Shares of Rs.100 each	**2,500,000**	—	**2,500,000**	*2,500,000*
	2,800,000	—	**2,800,000**	*2,800,000*
Issued, Subscribed and Paid-up				
240,048,255 *(2009: 240,048,255)* Equity shares of Re.1 each fully paid	**240,048**	—	**240,048**	*240,048*
3%, 17,283,000 *(2009: 17,283,000)* Cumulative Redeemable Preference Shares of Rs.100 each - Series A [The above shares are redeemable at par at the earliest on March 31, 2011 and are 'extendable upto March 31, 2015' based on mutual agreement between the company and 'Scottish and Newcastle India Limited' (the preference shareholder)]	**1,728,300**	—	**1,728,300**	*1,728,300*
3%, 7,407,000 *(2009: 7,407,000)* Cumulative Redeemable Preference Shares of Rs.100 each - Series B [The above shares are redeemable at par at the earliest on March 31, 2015]	**740,700**	—	**740,700**	*740,700*
Convertible Redemable Preference Shares	—	**467,000**	**467,000**	*467,000*
	2,709,048	**467,000**	**3,176,048**	*3,176,048*
SCHEDULE 2				
Reserves and Surplus				
Capital Reserve	—	**1,204**	**1,204**	*1,204*
Securities Premium Account	**6,521,774**	**161,399**	**6,683,173**	*2,458,324*
Premium received during the year	—	—	—	*4,224,849*
General Reserve:				
As per last Balance Sheet	**170,000**	—	**170,000**	*105,000*
Transfer from Profit and Loss Account	**100,000**	—	**100,000**	*65,000*
Profit and Loss Account balance	**2,097,134**	—	**2,097,134**	*1,413,031*
	8,888,908	**162,603**	**9,051,511**	*8,267,408*
SCHEDULE 3				
Secured Loans [Refer Schedule 19 Note 6]				
Foreign Currency Loans				
– Working Capital Loan from Bank	**576,170**	—	**576,170**	*650,329*
– Term Loan from Bank	—	**148,116**	**148,116**	*262,711*
External Commercial Borrowings – From Banks	**936,587**	—	**936,587**	*1,404,069*
Term Loans from Banks	**1,061,222**	**140,375**	**1,201,597**	*1,706,955*
Other Loans				
– Working Capital Loan / Cash Credit from Banks	**2,368,960**	—	**2,368,960**	*860,883*
Interest accrued and due	**22,973**	**1,644**	**24,617**	*28,220*
From Others	—	**605,108**	**605,108**	*564,924*
From Rabo Finance India Private Limited	—	**123,155**	**123,155**	*193,529*
	4,965,912	**1,018,398**	**5,984,310**	*5,671,620*
Unsecured Loans				
[Refer Schedule 19 Note 6]				
Long Term Loans from Banks	**1,750,000**	—	**1,750,000**	*1,750,000*
Others Loans	**3,706**	—	**3,706**	*3,706*
Deferred Sales Tax Loan	—	**223,489**	**223,489**	*223,489*
	1,753,706	**223,489**	**1,977,195**	*1,977,195*

SCHEDULE 4 Consolidated Fixed Assets (Refer Schedule 19 Note 7)

Rs. in Thousands

Net Value of Assets as at March 31, 2009	**Particulars**	Gross Value of Assets as at March 31, 2009	Cost		**Gross Value of Assets as at March 31, 2010**	Depreciation / Amortisation				**Net Value of Assets as at March 31, 2010**
			Additions	Deletions / Adjustments		As at March 31,2009	on Deletions	**for the year**	**As at March 31, 2010**	
	Intangible									
249,205	Goodwill	623,924	—	—	**623,924**	374,719	—	**124,604**	**499,323**	**124,601**
320,037	Licenses	400,037	—	—	**400,037**	80,000	—	**40,000**	**120,000**	**280,037**
	Tangible									
1,105,503	Land - Freehold	1,105,503	155,955	—	**1,261,458**	—	—	**—**	**—**	**1,261,458**
253,479	Land - Leasehold	270,221	—	—	**270,221**	16,742	—	**3,186**	**19,928**	**250,293**
1,463,787	Buildings	1,622,971	337,715	—	**1,960,686**	159,184	—	**54,336**	**213,520**	**1,747,166**
4,057	Leasehold - Improvements	6,407	—	—	**6,407**	2,350	—	**2,350**	**4,700**	**1,707**
3,312,750	Plant and Machinery	4,730,047	1,152,562	31,921	**5,850,688**	1,417,297	16,080	**569,579**	**1,970,796**	**3,879,892**
57,765	Office Equipments	105,348	5,015	265	**110,098**	47,583	184	**10,911**	**58,310**	**51,788**
154,141	Furniture and Fittings	329,691	67,398	585	**396,504**	175,550	170	**70,855**	**246,235**	**150,269**
38,556	Laboratory Equipments	47,261	12,912	352	**59,821**	8,705	—	**5,265**	**13,970**	**45,851**
37,539	Vehicles	55,121	2,565	6,331	**51,355**	17,582	2,511	**5,271**	**20,342**	**31,013**
6,996,819		**9,296,531**	**1,734,122**	**39,454**	**10,991,199**	**2,299,712**	**18,945**	**886,357**	**3,167,124**	**7,824,075**
848,176	Share of Joint Venture	1,551,993	164,414	3,355	**1,713,052**	703,817	3,106	**154,057**	**854,768**	**858,284**
7,844,995		**10,848,524**	**1,898,536**	**42,809**	**12,704,251**	**3,003,529**	**22,051**	**1,040,414**	**4,021,892**	**8,682,359**
	2009	*8,568,202*	*2,403,231*	*122,909*	*10,848,524*	*2,211,759*	*104,577*	*896,347*	*3,003,529*	
865,308	Capital work in Progress [including capital advances Rs.476,733 *(2009: Rs.615,625)*]									**575,331**
106,843	Share of Joint Venture [including capital advances Rs.1,252 *(2009: Rs.118)*]									**29,038**
8,817,146										**9,286,728**

UNITED BREWERIES LIMITED

SCHEDULE 5
Investments

Rs. in Thousands

Particulars	Class of Shares	2010 Number of Shares / Units	2010 Face Value	2010 Cost	*2009 Number of Shares / Units*	*2009 Face Value*	*2009 Cost*
CURRENT INVESTMENTS							
Investment in Mutual Funds - Unquoted, Non Trade							
HDFC FMP 370D June 2008 VIII -Wholesale Plan Growth		—	—	—	*20,000,000*	*200,000*	*200,000*
IDFC FMP Yearly Series 22 Plan B Growth		—	—	—	*10,000,000*	*100,000*	*100,000*
I-Growth Capital Protection Portfolio		—	—	—	*3,000*	*300,000*	*300,000*
Kotak FMP 12M Series 7 Institutional - Growth Plan		—	—	—	*15,025,820*	*150,258*	*150,258*
Reliance Blended Debt Plus-Hybrid Option -Series XIV Plan		—	—	—	*500,000*	*50,000*	*50,000*
Reliance Fixed Horizon Fund- IX - Series 2 - Institutional Growth Plan		—	—	—	*10,000,000*	*100,000*	*100,000*
Investment in Mutual Funds - Quoted, Non Trade							
HDFC Cash Management Fund - Treasury Advantage Plan - Wholesale - Daily Dividend		**48,846,135**	**10**	**490,000**	—	—	—
LONG TERM INVESTMENTS (unquoted, long term)							
In government and trustee securities - Fully paid							
National savings certificate		—	**70**	**70**	—	*70*	*70*
Non trade:							
In Associates							
United East Bengal Football Team Private Limited	Equity	**4,999**	**50**	—	*4,999*	*50*	—
In Others							
Zorastrian Co-operative Bank Limited*	Equity	**4,000**	**25**	**100**	*4,000*	*25*	*100*
Sub total				**490,170**			*900,428*
Share in Joint Venture Investments			**5**	**5**		*9*	*9*
TOTAL				**490,175**			*900,437*

* Acquired on Amalgamation

Details of Investments In Mutual Funds during the year

Name of Mutual Fund	*Balance as at April 1, 2009*		**Purchased during the year**		**Sold during the year**		**Balance as at March 31, 2010**	
	No. of Units in '000s	*Cost*	**No. of Units in '000s**	**Cost**	**No. of Units in '000s**	**Cost**	**No. of Units in '000s**	**Cost**
HDFC Cash Management Fund - Treasury Advantage Plan - Wholesale - Daily Dividend	—	—	**88,720**	**890,000**	**39,874**	**400,000**	**48,846**	**490,000**
HDFC FMP 370D June 2008 VIII - Wholesale Plan Growth	*20,000*	*200,000*	—	—	**20,000**	**200,000**	—	—
IDFC FMP Yearly Series 22 Plan B Growth	*10,000*	*100,000*	—	—	**10,000**	**100,000**	—	—
I-Growth Capital Protection Portfolio	*3*	*300,000*	—	—	**3**	**300,000**	—	—
Kotak FMP 12M Series 7 Institutional - Growth	*15,026*	*150,258*	—	—	**15,026**	**150,258**	—	—
Reliance Blended Debt Plus-Hybrid Option - Series XIV	*0.50*	*50,000*	—	—	**0.50**	**50,000**	—	—
Reliance Fixed Horizon Fund - IX - Series 2 - Institutional Growth Plan	*10,000*	*100,000*	—	—	**10,000**	**100,000**	—	—
Total		*900,258*		**890,000**		**1,300,258**		**490,000**

Schedules to Consolidated Balance Sheet (contd.)

Rs. in Thousands

	2010	Joint Venture	Total 2010	*2009*
SCHEDULE 6				
Inventories				
Raw Materials	**572,550**	**23,601**	**596,151**	*456,556*
Packing Material,Stores and Spares [Net of provision Rs.7,656 *(2009: Rs.38,640)*]	**471,125**	**83,825**	**554,950**	*539,818*
Work In Progress / Finished Goods (including Traded Goods) [Net of provision Rs.Nil *(2009: Rs.63)*]	**856,550**	**120,663**	**977,213**	*741,839*
Goods in transit	**59,940**	**15,364**	**75,304**	*50,266*
	1,960,165	**243,453**	**2,203,618**	*1,788,479*
SCHEDULE 7				
Sundry Debtors (Unsecured, Considered good unless stated otherwise)				
Considered Good				
- Over Six Months	**69,920**	**23,415**	**93,335**	*185,434*
- Others	**6,092,567**	**508,896**	**6,601,463**	*4,820,547*
Considered Doubtful				
- Over Six Months	**56,738**	**35,039**	**91,777**	*88,944*
- Others	**—**	**—**	**—**	*—*
	6,219,225	**567,350**	**6,786,575**	*5,094,925*
Less: Provision for Doubtful Debts	**(56,738)**	**(35,039)**	**(91,777)**	*(88,944)*
	6,162,487	**532,311**	**6,694,798**	*5,005,981*
SCHEDULE 8				
Cash and Bank Balances				
Cash on hand [including Remittances - in Transit Rs.Nil *(2009: Rs.Nil)*]	**2,848**	**382**	**3,230**	*4,620*
Balances with Scheduled Banks:				
- in Current Account [including cheques on hand Rs.1,566 *(2009: Rs.10,125)*]	**818,705**	**80,502**	**899,207**	*474,055*
- in Deposit account [Refer notes below]	**11,847**	**12,303**	**24,150**	*32,582*
	833,400	**93,187**	**926,587**	*511,257*

Note: 1. Includes Rs.10,350 *(2009: Rs.19,820)* kept as margin against letter of credit and bank guarantees.
2. Includes balance in Unclaimed dividend Account Rs.1,470 *(2009: Rs.880)*

	2010	Joint Venture	Total 2010	*2009*
SCHEDULE 9				
Other Current Assets				
Income accrued on Investments and deposits	**354,491**	**729**	**355,220**	*141,601*
	354,491	**729**	**355,220**	*141,601*

Schedules to Consolidated Balance Sheet (contd.)

Rs. in Thousands

	2010	Joint Venture	Total 2010	*2009*
SCHEDULE 10				
Loans and Advances				
(Unsecured, Considered good unless otherwise stated)				
Advance towards Contract Brewing unit [Refer Schedule 19 Note 8]	**1,550,000**	**—**	**1,550,000**	*1,550,000*
Advances recoverable in cash or in kind or for value to be received*	**334,206**	**25,407**	**359,613**	*224,048*
Considered Doubtful	**8,403**	**43,647**	**52,050**	*51,674*
	1,892,609	**69,054**	**1,961,663**	*1,825,722*
Less: Provision for Doubtful Advances	**(8,403)**	**(43,647)**	**(52,050)**	*(51,674)*
	1,884,206	**25,407**	**1,909,613**	*1,774,048*
*[including: Rs.Nil *(2009: Rs.36)* due from Director of the Company, maximum amount due during the year Rs.36 *(2009: Rs.62)*]				
Balances with Excise Authorities	**224,308**	**20,818**	**245,126**	*163,930*
Other Deposits	**552,884**	**12,597**	**565,481**	*653,545*
Advance Tax / Tax Deducted at Source (net)	**33,512**	**18,703**	**52,215**	*148,009*
	2,694,910	**77,525**	**2,772,435**	*2,739,532*
SCHEDULE 11				
Liabilities				
Sundry Creditors				
- Due to Micro, Small and Medium Enterprises	**11,527**	**3,096**	**14,623**	*8,113*
- Others	**1,797,552**	**270,932**	**2,068,484**	*1,421,170*
- Other Liabilities	**1,386,043**	**1,324,811**	**2,710,854**	*1,669,780*
Interest accrued but not due	**—**	**2,385**	**2,385**	*2,385*
Unclaimed Dividend	**1,470**	**—**	**1,470**	*880*
Acceptances	**10,441**	**—**	**10,441**	*63,986*
	3,207,033	**1,601,224**	**4,808,257**	*3,166,314*
SCHEDULE 12				
Provisions				
Dividend payable [Refer Schedule 19 Note 15]	**187,428**	**—**	**187,428**	*128,785*
Gratuity	**7,265**	**1,872**	**9,137**	*22,098*
Leave Entitlements	**59,329**	**845**	**60,174**	*34,388*
	254,022	**2,717**	**256,739**	*185,271*

Schedules to Consolidated Profit and Loss Account

Rs. in Thousands

	2010	Joint Venture	Total 2010	*2009*
SCHEDULE 13				
Sales and Service				
Sales	**28,505,356**	**3,884,431**	**32,389,787**	*26,789,900*
Income from Brand Franchise and Technical Fees	**1,052,653**	**39,505**	**1,092,158**	*1,063,425*
	29,558,009	**3,923,936**	**33,481,945**	*27,853,325*
SCHEDULE 14				
Other Income				
Guarantee Commission	**21,322**	—	**21,322**	*21,300*
Liability no longer required written back	**54,740**	**7,433**	**62,173**	*56,594*
Profit on sale of Assets	—	**220**	**220**	*26*
Profit on sale of Investment (net)	**117,982**	—	**117,982**	*2*
Dividend Income	**3,868**	—	**3,868**	*48,954*
Interest Received [Gross] {Tax deducted at source Rs.31,367 *(2009: Rs.2,379)*}	**327,015**	**1,501**	**328,516**	*150,541*
Provision for Doubtful Debts no longer required written back	**117**	**55**	**172**	*1,880*
Provision for Doubtful Advances no longer required written back	**13**	**10**	**23**	*367*
Miscellaneous Income	**251,814**	**45,510**	**297,324**	*256,152*
	776,871	**54,729**	**831,600**	*535,816*
SCHEDULE 15				
Cost of Sales				
Manufacturing Expenses				
Consumption of Raw Materials	**2,521,576**	**514,378**	**3,035,954**	*2,573,527*
Consumption of Packing material and Stores and spares	**5,115,279**	**1,025,969**	**6,141,248**	*4,772,552*
Purchases of finished goods	**2,006,411**	**4,003**	**2,010,414**	*2,089,746*
Power and Fuel	**491,102**	**123,062**	**614,164**	*701,397*
Personnel Expenses				
Salaries, Wages and Bonus	**847,439**	**72,302**	**919,741**	*813,100*
Contribution to Provident and Other funds	**60,601**	**3,528**	**64,129**	*61,211*
Welfare Expenses	**81,265**	**6,315**	**87,580**	*66,254*
Others				
Rent including Lease rent	**77,520**	**2,074**	**79,594**	*75,134*
Insurance	**14,207**	**1,689**	**15,896**	*14,238*
Repairs Building	**13,617**	**7,850**	**21,467**	*14,453*
Repairs to Machinery	**126,671**	**38,462**	**165,133**	*127,915*
Repairs - Others	**8,781**	**1,556**	**10,337**	*10,955*
Travel and Conveyance	**94,682**	**4,513**	**99,195**	*89,461*
Communication Expenses	**23,975**	**750**	**24,725**	*24,161*
Rates and taxes	**365,529**	**49,749**	**415,278**	*303,766*
Legal and Professional fees	**73,013**	**7,819**	**80,832**	*97,718*
Miscellaneous expenses [includes material consumed Rs.107,894 *(2009: Rs.107,781)*]	**292,208**	**27,111**	**319,319**	*260,540*
Change in Inventory				
Opening Stock	**677,309**	**64,530**	**741,839**	*585,671*
Closing Stock	**(856,550)**	**(120,289)**	**(976,839)**	*(741,839)*
Excise Duty on Opening Stock	**(366,473)**	**(25,010)**	**(391,483)**	*(300,700)*
Excise Duty on Closing Stock	**499,488**	**72,112**	**571,600**	*391,483*
	12,167,650	**1,882,473**	**14,050,123**	*12,030,743*

Schedules to Consolidated Profit and Loss Account (contd.)

Rs. in Thousands

	2010	Joint Venture	Total 2010	*2009*
SCHEDULE 16				
Other Expenses				
Selling and Promotion Expenses	**5,592,417**	**625,977**	**6,218,394**	*4,830,355*
Technical Management Fee	**—**	**100,000**	**100,000**	*120,000*
Directors Sitting fees	**15,681**	**293**	**15,974**	*12,123*
Auditors Remuneration	**7,223**	**1,581**	**8,804**	*8,424*
Bad debts written off	**—**	**—**	**—**	*9,699*
Bad Advances written off	**10,836**	**111**	**10,947**	*5,866*
Provision for Doubtful Debts	**1,184**	**1,821**	**3,005**	*2,716*
Provision for Idle Assets / Fixed Assets written off	**—**	**—**	**—**	*31*
Investment written off	**—**	**4**	**4**	*—*
Inventory written off including provisions	**—**	**1,289**	**1,289**	*622*
Loss on sale of Assets	**3,426**	**148**	**3,574**	*2,185*
Provision for Doubtful advances	**—**	**399**	**399**	*1,000*
	5,630,767	**731,623**	**6,362,390**	*4,993,021*
SCHEDULE 17				
Interest and Finance Charges				
Interest on Loans for a fixed period	**458,766**	**96,992**	**555,758**	*507,306*
Interest Others [Including exchange (gain)/loss on foreign currency loans Rs.(74,159) *(2009: Rs.139,486)*]	**82,936**	**4,055**	**86,991**	*326,663*
Finance Charges	**11,617**	**10,841**	**22,458**	*220,369*
	553,319	**111,888**	**665,207**	*1,054,338*

Significant Accounting Policies for the year ended March 31, 2010

Rs. in Thousands

SCHEDULE 18

1. **Basis of Presentation of Financial Statements:**

   The Financial Statements of the Company have been prepared under historical cost convention, to comply in all material aspects with the applicable accounting principles in India, the applicable accounting standards notified under Section 211(3C) of the Companies Act, 1956 and to relevant provisions of the Companies Act, 1956.

   Basis of Consolidation:

   The Financial Statements of the Subsidiaries and the Joint Venture (JV) used in the consolidation are drawn up to the same reporting date as that of the parent company, i.e., year ended March 31, 2010.

   Estimates:

   The preparation of the Financial Statements in conformity with Generally Accepted Accounting Policies (GAAP) in India requires that the management makes estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the Financial Statements, and the reported amounts of revenue and expenses during the reported period. Actual result could differ from those estimates.

2. **Principles of Consolidation:**

   i) The financial statement of the parent company and its subsidiaries have been consolidated on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenditure after eliminating intra group balances and intra group transactions.

   ii) The financial statements of the parent company and its subsidiaries have been consolidated using uniform accounting policies for like transactions and other events.

   iii) The financial statement of the Joint Venture has been consolidated using proportionate consolidation on the basis of control exercised in the Joint Venture.

   iv) Goodwill represents the difference between the company's share in the networth and the cost of acquisition of subsidiary and Joint Venture at each stage of acquisition of investment. Goodwill arising on consolidation is not amortised. Negative goodwill is recognised as capital reserve on consolidation.

3. **Revenue Recognition:**

   Revenue from sale of goods is recognised in accordance with the terms of sale, on dispatch from the Breweries/warehouses of the Company and is net of trade discount but includes Excise Duty. Income from brand franchise is recognised at contracted rates on sale/production of the branded products by the franchisees. Dividend Income is recognised when the Company's right to receive the payment is established. Royalty from foreign entities (net of tax), technical advisory and management fees is recognised as per the terms of agreement.

4. **Borrowing Costs:**

   Borrowing costs incurred for the acquisition of qualifying assets are recognised as a part of cost of such assets when it is considered probable that they will result in future economic benefits to the Company while other borrowing costs are expensed in the period in which they are incurred.

5. **Fixed Assets:**

   Fixed assets are stated at their original cost of acquisition and subsequent improvements thereto including taxes, duties, freight and other incidental expenses relating to acquisition and installation of such assets.

   The cost of fixed assets acquired on amalgamation have been determined at fair values as on the respective dates of amalgamation and as per the related Schemes of Arrangement and include taxes / duties thereof.

   Assets identified and evaluated technically as obsolete and held for disposal are stated at their estimated net realisable value.

6. **Investments:**

   Long term investments are carried at cost less provision made to recognise any decline, other than temporary, in the values of such investments. Current investments are carried at cost or net realisable value, whichever is lower.

7. **Inventories:**

   Inventories are valued at lower of cost and net realisable value. Costs include freight, taxes, duties and appropriate production overheads and are generally ascertained on the First in First Out (FIFO) basis. Excise/Customs duty on stocks in bond is added to the cost. Due allowance is made for obsolete and slow moving items.

8. **Foreign Currency Transactions:**

   a) Foreign currency transactions are recorded at the rates of exchange prevailing on the dates of such transactions.

      All monetary items of foreign currency liabilities/ assets are restated at the rates ruling at the year end and all exchange gains/ losses arising therefrom are adjusted to the Profit and Loss Account.

      Exchange difference on forward contracts are recognised in the Profit and Loss Account in the reporting period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such forward contracts is recognised as income or expense for the year.

Significant Accounting Policies for the year ended March 31, 2010 (contd.)

Rs. in Thousands

b) With retrospective effect from April 1, 2007 exchange differences on long term foreign currency monetary items (except for exchange differences on items forming part of the company's net investment in a non-integral foreign operation), are
   (i) adjusted to the cost of the asset in so far as they relate to the acquisition of a depreciable asset;
   (ii) accumulated in a "Foreign Currency Monetary Item Translation Difference Account" and amortised over the period of the related long term foreign currency monetary item but not beyond March 31, 2011.

9. Depreciation and amortisation:

Depreciation on fixed assets is provided on Straight Line Method based on the rates prescribed under Schedule XIV to the Companies Act, 1956 except as indicated below:

a) Plant and Machinery are depreciated at the rate of 10.34%. Further, depreciation is provided at higher rates in respect of certain specific items of plant and machinery having lower useful life based on technical evaluation carried out by the management.
b) Assets acquired on amalgamation (where original dates of acquisition are not readily available), are depreciated over the remaining useful life of the assets as certified by an expert.
   Cost of Goodwill arising on amalgamation is amortised over a period of 5 years.
   Cost of Leasehold Land is amortised over the period of lease.
   Assets individually costing less than Rs.5 are depreciated fully in the year of purchase.

10. Employee Retirement benefits:

(i) Defined-contribution plans:
   Contributions to the Employees' Provident Fund, Superannuation Fund, Employees' State Insurance and Employees' Pension Scheme are as per statute and are recognised as expenses during the period in which the employees perform the services.

(ii) Defined-benefit plans:
   Liability towards gratuity is determined on actuarial valuation using the Projected Unit Credit Method at the balance sheet date. Actuarial Gains and Losses are recognised immediately in the Profit and Loss Account.

(iii) Other long term employee benefits:
   Liability towards leave encashment and compensated absences are recognised at the present value based on actuarial valuation at each balance sheet date.

(iv) Short term employee benefits:
   Undiscounted amount of liability towards earned leave, compensated absences, performance incentives etc. are recognised during the period when the employee renders the services.

11. Taxation:

Current tax is determined as per the provisions of the Income Tax Act, 1961.

Deferred tax is recognised, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are not recognised unless there is virtual certainity that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Fringe Benefit Tax is determined at current applicable rates on expenses falling within the ambit of "Fringe Benefit" as defined under Income Tax Act, 1961.

12. Earnings per share:

Annualised earnings/ (loss) per equity share (basic and diluted) is arrived at based on ratio of profit/ (loss) attributable to equity shareholders to the weighted average number of equity shares.

13. Impairment of Assets:

At each Balance Sheet date, the Company assesses whether there is any indication that assets may be impaired. If any such indication exists, the Company estimates the recoverable amount. If the carrying amount of the assets exceeds its recoverable amount, an impairment loss is recognised in the accounts to the extent the carrying amount exceeds the recoverable amount.

14. Provisions, Contingent Liabilities and Contingent Assets:

Provisions are recognised when the company has a present obligation as a result of past events, for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed regularly and are adjusted where necessary to reflect the current best estimates of the obligation. When the company expects a provision to be reimbursed, the reimbursement is recognised as a separate asset, only when such reimbursement is virtually certain.

A disclosure for contingent liability is made where there is a possible obligation or present obligation that may probably not require an outflow of resources.

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

Rs. in Thousands

SCHEDULE 19

1. The Consolidated Financial Statement (CFS) presents the consolidated accounts of United Breweries Limited (the Company) with its following Subsidiaries, Associates and Joint Venture ('UBL Group' or 'Group').

Particulars	Ownership Percentage		Country of Incorporation
	2010	*2009*	
Name of the Subsidiary			
Associated Breweries & Distilleries Limited (ABDL)	**100**	*100*	India
Maltex Malsters Limited (MML)	**51**	*51*	India
Name of the Associate			
United East Bengal Football Team Private Limited (UEBFTPL)	**50**	*50*	India
Name of the Joint Venture (JV)			
Millennium Alcobev Private Limited (MAPL)	**50***	*50**	India

*Of which 10% represents control exercised through the subsidiary ABDL.

2. 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:

a. Rs.2,026,980 *(2009: Rs.3,197,096)* for repayment of cash credit/overdraft accounts and for additional working capital requirements.

b. Rs.1,731,874 *(2009: Rs.501,500)* for Capital Expenditure.

c. Pending utilisation the balance proceeds of Rs.490,000 *(2009: Rs.550,258)* have been invested in mutual funds.

3. The Consolidated Financial Statements of Millennium Alcobev Private Limited (MAPL), represents consolidation of MAPL and its subsidiaries Empee Breweries Limited (EBL), United Millennium Breweries Limited (UMBL) and Millennium Beer Industries Limited (MBIL) as per Accounting Standard (AS) – 21.

4. The group evaluates the carrying value of its Goodwill whenever events or changes in circumstances indicate that its carrying value may be impaired for diminution, other than temporary. The group has currently reassessed the circumstances that could indicate the carrying amount of Goodwill may be impaired. As a consequence of such reassessment, the management believes that the expected revenues and earnings of the acquired entities are sustainable in the foreseeable future, and hence goodwill is not impaired.

5. Acquisition of Maltex Malsters Limited:

During the financial year ended March 31, 2008 the Company has acquired 22,950 equity shares of Rs.100 each in Maltex Malsters Limited for a consideration of Rs.450,000 which is based on an independent valuation, resulting in a goodwill of Rs.438,012 as detailed below.

Particulars	Rs.	Rs.
Fixed Assets (Net book value)		**23,983**
Deferred Tax Assets		**2,587**
Current Assets		
Sundry Debtors	13,187	
Cash & Bank Balances	94	
Loans & Advances	11,567	
	24,848	
Current Liabilities and Provision		
Current Liabilities	8,072	
Provisions	209	
	8,281	
Net Current Asset		**16,567**
Loans		
Secured Loans	18,932	
Unsecured Loans	700	**19,632**

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

Rs. in Thousands

Particulars	Rs.	*Rs.*
Net Worth as on March 31, 2008		**23,505**
UBL's Share - 51%		**11,988**
Purchase Consideration		450,000
Goodwill		**438,012**
Minority Interest		**11,517**

6. Loan Funds:

	Particulars	2010	2009
Secured Loans			
(a)	Foreign Currency Loans Including Interest Accrued and due Rs.18,848 *(2009: Rs.21,839)* Loans repayable within one year – Rs.871,207 *(2009: Rs.1,056,260)* Foreign Currency Loans consist of External Commercial Borrowing (ECB) from BNP Paribas and Foreign Currency 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 loan from Axis bank includes demand loan and term loan which are secured by first Charge on the Fixed Assets of a subsidiary of joint venture and current assets namely, Stock of Raw Material, Work In Progress & Finished Goods, Stores & Spares, Bills Receivable and Book Debts of the Company and covered by corporate guarantee isused by the Company.	**1,679,721**	*2,338,948*
(b)	Term Loan from Bank [including interest accrued and due Rs.716 *(2009: Rs.1,060)*] Loan repayable within one year – Rs.84,250 *(2009: Rs.84,250)* Secured against charge on all movable and immovable fixed assets of Empee Breweries Limited and covered by a corporate guarantee issued by the Company.	**141,091**	*225,685*
	Term Loan from Bank Secured by way of hypothecation of all plant and machineries lying at factory or elsewhere both present and future of MML, a subsidiary of the Company.	**5,571**	*12,296*
	Term Loan from Bank Loan repayable within one year – Rs. 164,384 *(2009: Rs.164,384)* Secured by first charge on all moveable and immovable assets.	**493,151**	*657,534*
	Term Loan from Bank Loan repayable within one year – Rs. 250,000 *(2009: Rs.250,000)* Secured by Pari-Passu charge on all moveable and immovable properties of the Company except Taloja plant.	**562,500**	*812,500*
(c)	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.	**2,374,013**	*866,204*
(d)	From Others [including interest accrued and due Rs.Nil *(2009: Rs.68,824)*]	**605,108**	*564,924*
(e)	From Rabo Finance India Private Limited Amounts repayable within one year – Rs.70,374 *(2009: Rs.70,431)* Secured by charge on all movable and immovable properties and current assets, both present and future of the MBIL (a subsidiary of the Joint Venture) and covered by a corporate guarantee issued by the Company.	**123,155**	*193,529*
Unsecured Loans			
(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.	**1,750,000***	*1,750,000**
(ii)	From Others Amount repayable within one year – Rs. Nil *(2009: Rs.Nil)*	**227,195**	*227,195*

Rs. in Thousands

7. 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 Group.

8. 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.

9. Capital Commitments:

Particulars	2010	*2009*
Estimated amount of Contracts remaining to be executed on capital account and not provided for.	**257,321**	*689,134*

Share of joint venture:

Particulars	2010	*2009*
Estimated amount of Contracts remaining to be executed on capital account and not provided for.	**8,896**	*46,348*

10. Contingent Liabilities:

	Particulars	2010	*2009*
a)	Sales Tax/other taxes demands under appeal*	**14,672**	*14,672*
b)	Employee 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*
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*

Share of joint venture:

	Particulars	2010	*2009*
a)	Sales Tax/other taxes demands under appeal [Amount paid under dispute Rs.223 *(2009: Rs.22)* and disclosed in loans and advances in Schedule 10]	**3,774**	*3,281*
b)	ESIC / PF demands under appeal [Amount paid under dispute Rs.Nil *(2009: Rs.53)* and disclosed in loans and advances in Schedule 10]	**845**	*898*
c)	Bank Guarantees given*	**10,155**	*5,855*
d)	Demand towards Water charges under appeal*	**—**	*26,250*

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

Rs. in Thousands

e)	Interest for delayed payment of Interest Free Loans*	**1,169**	*4,829*
f)	Dividend on 1% Non Convertible Cumulative Redeemable Preference Shares	**27,750**	*18,500*
g)	Income Tax#	**5,055**	*22,028*
h)	Claims against the subsidiaries of the joint venture not acknowledged as debt [Amount paid under dispute Rs.78 *(2009: Rs.78)* and disclosed in loans and advances in Schedule 10]	**5,877**	*6,107*

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

* 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 Group has entered into leasing arrangements for vehicles, computer, equipments, office premises and residential premises that are renewable on a periodic basis, and cancelable/non-cancelable 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.	**79,594**	*75,134*
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*
Total	**32,892**	*41,175*

12. Accounting for Taxes on Income:

Deferred Tax - The net deferred tax liability amounting to Rs. 236,114 *(2009: Rs.175,963)* 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	**263,445**	*212,987*
Less: 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*
	215,804	*172,676*
Share of Joint venture	**20,310**	*3,287*
Net deferred tax liability	**236,114**	*175,963*
Movement during the year	**(60,151)**	*(88,248)*
Net Deferred tax (charged off) / written back in the profit and loss account	**(60,151)**	*(88,248)*

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.

No deferred tax asset has been recognised, in case of loss making Joint Venture / subsidiaries, in the absence of virtual certainty of future profits as per the explanation provided in Accounting Standard 22 notified under the Companies (Accounting Standards) Rules, 2006.

13. Related Party Disclosures:

A. Name of the related parties:

(1) **In Associates**

United East Bengal Football Team Private Limited (UEBFTPL)

(2) **Entity which has significant influence**

Scottish & Newcastle India Limited (SNIL)

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

Rs. in Thousands

(3) **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

(4) **Key Management Personnel (KMP):**

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

(5) **Relative of Key Management Personnel:**

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

B. Transactions with related parties during the year:

Particulars	UEBFTPL		KMP	
	2010	*2009*	**2010**	*2009*
Sponsorships and Other Payments	**52,042**	*56,767*	**—**	—
Finance(including loan in cash or kind)	**52,034**	*50,248*	**—**	—
Remuneration to Directors*	**—**	—	**41,035**	*34,354*
Amount Due From/(To)	**(26)**	*(18)*	**—**	—

* 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.

C. Transactions with S & N Group

i. Transaction with S & N

Management Fees **Rs.45,000** *(2009: Rs.Nil)*

ii. Transactions with SNUK

Interest on ECB **Rs.Nil** *(2009: Rs.17,852)*

Purchase of Raw Material **Rs.123** *(2009: Rs.186)*

iii. 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)*

14. Earnings Per Share:

	Particulars	2010	2009
a)	Profit after taxation as per profit and loss account	**896,376**	*455,792*
b)	Less: Preference Dividend (including dividend distribution tax thereon)	**86,658**	*86,658*
c)	Net Profit attributable to equity shareholders	**809,718**	*369,134*
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)	**3.37**	*1.57*

15. 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*
Total	**187,428**	*170,912*

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

Rs. in Thousands

16. Segmental Reporting:

The Group is engaged in manufacture, purchase and sale of beer including licensing of brands which constitutes a single business segment. The Group 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 Group.

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

	Particulars	2010	2009	2008
A)	**Reconciliation of opening and closing balances of the present value of the defined benefit obligation**			
	Obligations at the beginning of the year	157,316	*144,890*	*118,048*
	Add: Transitional Obligation	—	—	*101*
	Add: Current Service cost	9,902	*14,268*	*43,745*
	Add: Interest cost	11,985	*9,691*	*9,349*
	Add: Actuarial (gains)/losses	(500)	*(696)*	*(333)*
	(Less): Benefits paid during the year	(12,646)	*(10,837)*	*(26,020)*
	Obligations at the end of the year	**166,057**	*157,316*	*144,890*
B)	**Reconciliation of opening and closing balances of the fair value of plan assets**			
	Fair Value of Plan assets at the beginning of the year	135,218	*138,650*	*117,753*
	Add: Expected Return on Plan Assets	10,337	*10,824*	*9,425*
	Add: Actuarial Gain	(1,490)	*(7,776)*	*10,738*
	Add: Contributions	25,501	*4,683*	*26,754*
	(Less): Benefits Paid	(12,646)	*(11,163)*	*(26,020)*
	Fair Value of Plan assets at the end of the year	**156,920**	*135,218*	*138,650*
C)	**Reconciliation of present value of defined benefit obligation and the fair value of plan assets to the assets and liabilities recognised in the balance sheet:**			
	Present Value of Obligation as at March 31, 2010	166,057	*157,316*	*144,890*
	(Less): Fair Value of Plan Assets as at March 31, 2010	156,920	*135,218*	*138,650*
	Amount recognised in the Balance Sheet	**9,137**	*22,098*	*6,240*
D)	**Expenses recognised in Profit and Loss account under "Employee Cost" in Schedule 15**			
	Current service cost	9,902	*14,268*	*43,745*
	Add: Interest cost	11,985	*9,691*	*9,349*
	(Less): Expected Return on Plan Assets	(10,337)	*(10,824)*	*(9,425)*
	Prior period adjustment	—	—	*(23,739)*
	Add: Actuarial (gains) / losses	990	*6,493*	*6,256*
	Net Gratuity Cost	**12,540**	*19,628*	*26,186*
E)	**Investment details of plan assets**			
	Plan assets are invested in Government Securities, Private Sector Bonds, Managed Funds and others.			
	Based on the above allocation and the prevailing yields on these assets, the long term estimate of the expected rate of return on fund assets has been arrived at. Assumed rate of return on assets is expected to vary from year to year reflecting the return.			
F)	**Actual return on plan assets**	**12,760**	*7,269*	*24,077*
G)	**Assumptions**			
	Discount rate per annum	**8.00%**	*7.00%*	*8.00%*
	Interest rate per annum	**8.00%**	*7.00%*	*8.00%*
	Expected return on plan assets	**8.00%**	*7.00 to 8.00%*	*8.00%*
	Expected salary increase per annum	**5.00 to 6.00%**	*5.00 to 6.00 %*	*5.00%*
	Attrition Rate	**1.00%**	*1.00%*	*1.00%*
	Retirement Age	**58**	*58*	*58*
	Mortality rate - LIC (94-96) Ultimate Mortality Table			
	The estimates of future increase in salary, considered in the actuarial valuation, have been taken on account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.			

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

Rs. in Thousands

	Particulars	2010	*2009*	*2008*
(ii)	Contribution to Provident and Other Funds under Manufacturing and Other Expenses (Schedule 15) includes **Rs.51,589** *(2009: Rs.41,583)* being expenses debited under the following defined contribution plans:			
	Provident Fund	**38,671**	*30,370*	*29,737*
	Superannuation	**12,918**	*11,213*	*21,111*

18. (i) Pursuant to notification dated March 31, 2009 issued by the Ministry of Corporate Affairs, the Group, with retrospective effect from April 1, 2007 changed its accounting policy in respect of exchange differences on long term foreign currency monetary items, with the exception of exchange differences on items forming part of the Group's net investment in a non-integral foreign operation. Consequently, the Group has accounted for unrealised exchange losses as given below:

(a) Unrealised foreign exchange loss amounting to Rs.5,080 *(2008: Rs.Nil)* recognised in the profit and loss account during the year ended March 31, 2008 has been transferred to the Foreign Currency Monetary Item Translation Difference Account (FCMITDA) by adjusting the opening balance of the profit and loss account. Rs.10,864 *(2009: Rs.2,032)* being charge for the current year is recognised in the profit and loss account under Interest and Finance Charges (Schedule 17). Balance amount of Rs.10,864 *(2008: Rs. 3,048)* is retained in the FCMITDA as at the year end.

(b) Unrealised foreign exchange gain/(losses) as of March 31, 2010 amounting to Rs.19,064 [*2009: Rs.(56,616)*] is transferred to FCMITDA. Rs.9,532 [*2009: Rs.(20,904)*] being gain for the current year is recognised in the profit and loss account under Interest and Finance Charges (Schedule 17). Balance amount of Rs.9,532 [*2009: Rs.(37,744)*] is retained in the FCMITDA as at the year end.

(ii) Had the Group not opted to apply the aforesaid notification, consolidate profit for the year would have been higher by Rs. 9,532 [*2009: Rs.(37,744)*], having consequential impact on the net worth of the Group.

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

i) Number of Shares in Notes on Schedule 1, and in Note 14.

ii) Basic and Diluted EPS in the Profit and Loss Account and in Note 14.

20. 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

Guido de Boer
Director & CFO

Govind Iyengar
Company Secretary

Bangalore, July 21, 2010