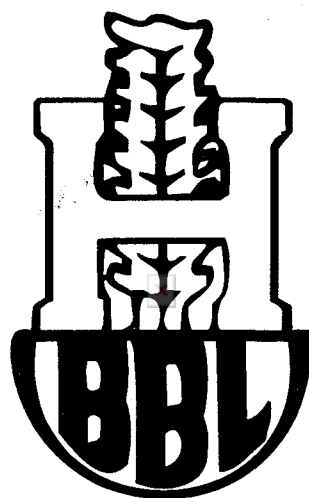


Hindustan Breweries & Bottling Limited



40th

**Annual Report
2010-2011**

HINDUSTAN BREWERIES & BOTTLING LTD**BOARD OF DIRECTORS**

Shri Vinod Kumar Agarwal	: Chairman
Shri Rajendra Kumar Agarwal	: Managing Director
Shri Chanderbhan Agarwal	: Director
Shri S. W. Wagh	: Director
Shri N. K. Pokharna	: Whole Time Director
Shri Sanjay Agarwal	: Director

AUDIT COMMITTEE

Shri. Chandrabhan Agarwal	: Non Executive Director
Shri. Vinod Kumar Agarwal	: Non Executive Director
Shri Rajendra Kumar Agarwal	: Managing Director

**AUDITORS**

M/s Rajiv Pethkar & Associates
Chartered Accountants,
F.R No. 112738W
Shop No. 258, Malad Highway View Chs
Near Shantaram Talao, Kurla Village, Malad
Mumbai – 400 097.

BANKERS

Bank of Baroda

REGISTERED OFFICE

G-8, House No:129,Rohini, Sector-16,
Near Metro Ratala, Nursery Park,
New Delhi-110089
Email : hbbl_thane@yahoo.co.in

WORKS

C -23/24, Wagle Industrial Estate
Thane – 400 604. (Maharashtra)
Telephone : 022-25823421-22
Fax : 022-25821194

Hindustan Breweries & Bottling Limited

Registered Office: G-8, House No:129,Rohini, Sector-16,Near Metro Ratala, Nursary Park,
New Delhi-110089

NOTICE is hereby given that the Fortieth Annual General Meeting of the Members of Hindustan Breweries & Bottling Limited will be held on 29th September, 2011, at 4.00 P.M at LAJWAAB House, G-78, Preet Vihar, Vikas Marg, New Delhi 110092 to transact the following business:-

Ordinary Business:

1. To receive, consider and adopt the Profit & Loss Account and Cash Flow Statement for the financial year ended March 31, 2011 and the Balance Sheet as at that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Chanderbhan Agarwal, who retires by rotation and being eligible, offers himself for re appointment.
3. To appoint a Director in place of Mr. N.K. Pokharna, who retires by rotation and being eligible, offers himself for re appointment.
4. To appoint Mr. Sanjay V. Agarwal as an additional Director.
5. To appoint M/s. Rajiv Pethkar & Associates., Chartered Accountants as an Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

By Order of the Board of Directors
Hindustan Breweries & Bottling Limited

Place: Mumbai
Dated: 16th August, 2011

N.K.POKHARNA
WHOLE TIME DIRECTOR

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. The instrument appointing the Proxy, in order to be effective, should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
3. The explanatory statement pursuant to section 173(2) of the companies Act 1956, relating to the Special Business to be transacted at the meeting is annexed hereto.

4. The Register of Members and the Share Transfer Books of the Company shall remain closed 25/09/2011 to 29/09/2011 (both days inclusive) for Fortieth Annual General Meeting of the Company.
5. Members desirous to obtain any information concerning the accounts and operations of the Company are requested to send their queries in writing to the Mr. N. K. Pokharna of the Company at its Factory address of the Company so as to reach at least seven days before the date of the meeting.
6. Members are requested to bring their own copies of the Annual Report. Copies will not be distributed at the meeting.
7. Members are requested to send all communications relating to shares to the company at Factory Address of the Company at the following address:

By Post/ Courier/ Hand Delivery

HINDUSTAN BREWERIES & BOTTLING LTD C -23/24, Wagle Industrial Estate Thane - 400 604. (Maharashtra)
--

8. Pursuant to the provisions of Sections 205A to 205C of the Companies Act, 1956, dividend for the years remains unclaimed/ unencashed for a period of 7 years, has to be transferred by the Company to "The Investor Protection and Education Fund" constituted by the Central Government and no claims shall lie against the said Fund of the Company in respect thereof.

The Company has not declared any dividend in past years hence no amount is due for transfer to The Investor Protection and Education fund."



By Order of the Board of Directors
Hindustan Breweries & Bottling Limited

Place : Mumbai
Dated: 16th August, 2011

N.K.POKHARNA
WHOLE TIME DIRECTOR

Dear Members,

The Directors have pleasure in presenting the 40th Annual Report and the audited accounts for the financial year ended 31st March, 2011

	(Rs. In lakhs)	
<u>FINANCIAL RESULTS:</u>	2010-2011	2009-2010
Sales.	5013.94	4535.54
Profit before Interest & Depreciation	164.37	86.42
Less: Interest	0.28	8.58
Less : Depreciation	107.45	107.53
Profit after Depreciation	56.37	(29.69)
Less: Provision for Tax (MVAT)	-	-
Less: Provision for Tax (FBT)	-	-
Short provision for Income Tax in respect of earlier years	18.63	-
Profit after Tax	38.01	(29.69)
Add : Loss brought forward from the last year	(966.92)	(937.23)
Balance carried to Balance Sheet	(928.91)	(966.92)

AUDITOR'S REMARK

The observation regarding non-provision of gratuity and leave encashment, it is informed that they are provided in the Books in the year in which it is paid.

The observation regarding the non-provision of Managing Director's remuneration, the company has received approval from Central Government on 6th July 2003 subject to consent from bank. The company has made full payment to Bank of Baroda now such content is not required and accordingly the company will make payment from 2011-12

All other remarks made by Auditors in their Report and noted are self – explanatory and will be suitably dealt with.

BIFR

In term of annexed account net worth of the company had been completely eroded and the company continues to be a Sick Industrial Company within the meaning of clause (O) of sub. Section (1) of Section 3 of the Sick Industrial Company (Special Provision) Act 1986 and the company is already registered with BIFR on 29.09.2003. BIFR has declared company vide their order dated 18.04.2006 however Company has filed an appeal against BIFR order as certain terms were not acceptable to the Company. Subsequent to this management / company has settled the secured creditor Bank of Baroda and the Company has received "NO DUE" CERTIFICATE FROM Bank of Baroda.

CORPORATE GOVERNANCE

As referred in Auditors report on corporate governance company has not complied with certain provisions of clause 49 of the listing agreement specifically with regard to constitution of Audit Committee, Composition of Directors, and other compliance provisions, reporting requirements etc, since company is Sick unit as per provision of SICA Act, 1985 company has delayed in compliance of provision and reporting requirements however company in the process of regularizing the same.

Pursuant to Clause 49 of Listing Agreements with the Stock Exchanges, a report on Corporate Governance with Auditors' Certificate on compliance of conditions of Corporate Governance and a **Management Discussion & Analysis Report** have been attached to form part of the annual Report.

DIRECTORS

Shri Chanderbhan Agarwal and Shri N. K. Pokharna Directors of the Company retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for reappointment.

To appoint additional Director Mr. Sanjay V. Agarwal who eligible, offers himself for appointment.

ENVIRONMENTAL PROTECTION AND POLLUTION CONTROL:

As required by pollution control laws, the Company has complied with the provisions of applicable Environmental Laws.

We have established water and air pollution control system at our unit. Our environmental programme is administered internally by our Engineering Department and includes monitoring, measuring and reporting compliance, establishing safety programs and training our personnel in environmental and safety matters.

DIRECTOR'S RESPONSIBILITY STATEMENT



Pursuant to Section 217(2AA) of the Companies Act, 1956, your Directors confirm that-

- (a) The applicable accounting standards have been followed in the preparation of the Annual accounts.
- (b) Such accounting policies have been selected and applied consistently and judgment and estimates made reasonably and prudently so as to give a true and fair view of the state of affairs of the Company as at 31st March 2011 and its loss for the year ended on that date;
- (c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 and safe guarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) The annual accounts have been prepared on the basis of going concern.

PUBLIC DEPOSITS

The Company has not accepted any deposit from the public within the meaning of Section 58A of the Companies Act, 1956 and the rules made there under.

AUDITORS AND THEIR REPORT

The Auditors of the Company M/s. Rajiv Pethkar & Associates, Chartered Accountants, appoint at the forthcoming Annual General Meeting and being eligible, offer themselves for appointment. The Company has received certificate from them Under Section 224(1-B) of the Companies Act, 1956.

COMPANY SECRETARY

The Company does not have a Whole time Company Secretary in employment as on the date of Balance Sheet as required by the section 383 A of the Company's Act 1956.

EMPLOYEES

Industrial relations in the Company continued to be cordial as in the past. The information as per Section 217(2A) of Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended w.e.f. 17.04.2002 are not given as none of the employees of the Company is covered under the said section.

DEMATERIALISATION OF EQUITY SHARES

The Securities and Exchange Board of India (SEBI) on 29th May, 2000 has notified certain scripts to be covered under compulsory demat but company has not yet dematerialized its shares. The company is taking necessary steps to complete the formalities and expect to complete the same at the earliest.

CONSERVATION OF ENERGY, TECHNOLOGY AND ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO:

In accordance with the requirements of Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 a statement showing particulars with respect to conservation of Energy, Technology Absorption and Foreign Exchange earnings and Outgo is annexed hereto and forms part of this report.

INDUSTRIAL RELATIONS :

Industrial relations on the whole have been cordial and your Directors take this opportunity to express their appreciation for the sincere efforts put in by the workers and staff at all levels.

SAD DEMISES

Our chairman Mr. Vinod Agarwal Passed away on 6th March 2011 and all of us have deep pain for this our Board, shareholders, dealers, customers & suppliers, staff, labourers & officers, executives has given condolences and Board convey their sincere appreciation for his support and confidence provided to all of us, and all of us wish to have peace to departed soul.

ACKNOWLEDGEMENTS

Your directors convey their sincere appreciation to the shareholders, dealers, customers, suppliers and other business associates for their continued support and the confidence placed in the management of the company.

For and on behalf of the Board of Directors

Place : Mumbai
Date : 16th August, 2011

Rajendra Kumar Agarwal
(Managing Director)

N K. Pokharna
(Whole Time Director)

ANNEXURE 'A' TO THE DIRECTORS' REPORT

Additional information as required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rule, 1988.

A. CONSERVATION OF ENERGY

a) Energy Conservation Measures taken -

The company is taking all possible efforts for conservation of energy. Constant efforts are made through regular / preventive maintenance and upkeep of the existing electrical equipment to minimize breakdown and loss of energy. Efforts are also made to use the equipment efficiently thereby conserving the scarce resources. Whatever necessary existing equipment is replaced with more energy efficient equipment.

b) Additional Investment and proposals, if any, being implemented for reduction of consumption of energy-

The company has already installed higher efficiency generating sets and Thermax make Boiler T-100, which have improved the overall efficiency and enabled substantial saving in energy.

c) Impact of measures for reduction of energy consumption / Energy Conservation -

The above measures have resulted in energy saving and consequent reduction in energy cost.

d) Total Energy consumption and Energy consumption per unit of production as prescribed in Form 'A'

- Not applicable

B. TECHNOLOGY ABSORPTION

Efforts made in technology absorption as per Form 'B' of the Annexure.

FORM B

1. Research & Development (R & D)

Keeping in mind the objectives of Specific area in which (R&D) better productivity, optimum cost carried out by the Company effectiveness and yield, the company has been adopting

- | | |
|---|--|
| a. Benefits derived as a result of above R & D | various techniques from time to time developed within its R & D Dept., particularly in the Brew House, |
| b. Future plan of action | Modification of Fermentation & Lagering sections under progress |
| c. Expenditure on R & D | |
| i. Capital | — |
| ii. Recurring | — |
| iii. Total | — |
| iv. Total R & D expenditure as a percentage of total turnover | — |

2. Technology absorption, adoption and innovation

a.	Efforts, in brief made towards technology absorption, adoption and innovation	—
b.	Benefits derived as a result of the above efforts e.g. product improvement, cost reduction, production development, import substitution, etc.	—
3.	In case of imported technology imported during last 5 years reckoned from the beginning of the financial year, following information may be furnished.	Not applicable
i)	Technology imported	—
ii)	Year of import	—
iii)	Has technology fully absorbed, areas where this has not taken place, reasons thereof and plan of action.	—

B. FOREIGN EXCHANGE EARNINGS AND OUTGO

- Activities relating to exports, initiatives taken to increase exports, developments of new exports markets for products and services, and export plans. Presently the company is actively exploring the export market and is receiving encouraging response.
- Total foreign exchange earned Rs. NIL
Total foreign exchange used Rs. 22,34,759/-

For and on behalf of the Board of Directors

Place : Mumbai
Date : 16th August, 2011

Rajendra Kumar Agarwal
(Managing Director)

N. K. Pokharna
(Whole Time Director)

MANAGEMENT DISCUSSION AND ANALYSIS**Overview**

The financial statements have been prepared in compliance with the provision of Companies Act, 1956 and Generally Accepted Accounting Principles (GAAP) in India along with proper explanation relating to material departures. The management of the Company accepts the responsibility for the integrity and objectivity of these financial statements, as well as for the various estimates and judgements used therein and the financial statements reflect a true and fair manner the state of affairs of the Company for the year.

Beer Industry - Profile

Beer is gaining popularity as an alternative drink to a large section of Indian society, riding on greater social acceptance, liberal attitude and rising purchasing power of the fast growing urban middle class. This section of society prefers Beer against soft drink options but still remains resistant to the hard alcoholic drinks like wine, whisky and rum. Beer has a low alcohol content. Pasteurized Beer is free from any artificial agents, coliform bacteria and other pathogenic microorganisms..

Beer is a highly cyclical product, just like soft drinks. Put differently, consumption of beer is linked to weather conditions. People drink beer during summer. Traditionally, strong beer has been growing much faster than mild beer. Strong beer constitutes 60 per cent-plus of the overall beer market. Strong beer is unique to the Indian beer industry. Through strong beer the industry is responding to meet customer aspirations for value for money. Localised manufacturing is extremely important in the beer industry because freight costs are high and there are import-export levies in interstate movement of beer.

Currently the beer industry is going through a rough phase. Since we have the capability to pass through this phase we are consolidating our position. that we believe very strongly that the Indian beer market is set to explode. Beer sales in India are forecast to grow at a compound annual growth rate of 20.30% to 24.40%. So, with the Indian beer industry seeing steady growth during the last decade, due to strong economic growth resulting in high disposable incomes, an increase in beer sales in the next two or three years is expected.

Company Policy

Keeping in view the prevailing trends in the market and in order to have better utilization of its products, our company has started offering value-added products to have better sales realization. Barring any unforeseen circumstances the working of the company will improve in coming years.

Quality Control

In order to compete in the competitive market and to supply quality product, quality control is exercised at every stage of manufacturing, starting from incoming raw material up to outgoing finished product. Testing is done at different stages of manufacturing our well-equipped laboratory. Efforts are made to achieve the best and scale new heights in quality through constant learning and continuous improvement, technology up gradation, comprehensive training and development, which form part of quality commitment to provide the best product to our valued customers with motto "Complete Customers' Satisfaction".

Segment Review

Being engaged in manufacture of beer segment reporting as prescribed under AS 17 issued by Institute of Chartered Accountants of India (ICAI) is not applicable to the Company.

Financial Performance

Please refer to the Board Report on performance review.

Internal Control Systems and Adequacy

The company has a proper system of internal control to ensure that all assets are safeguarded and protected against loss from unauthorized use of disposition and transaction and transactions are authorized, recorded and reported correctly.

The internal control is supplemented by extensive programme of internal audit, review by management and documents as per the guidelines and procedures laid down.

Safety

Utmost importance was attached to maintain safety standards in the unit of the company. No major accident was reported during the year under review.

Environment

The company continued to strive its commitments to protect and promote the environment. On environmental matter, the operational norms prescribed by Maharashtra Pollution Control Board are strictly followed in the Plant by the Company.

Subsidiary & Holding Company

The Company does not have any holding and subsidiary Company.

Industrial Relation

The industrial relation with the staff and the workers in the Company continued to remain cordial and harmonious during the year under review.

The Company recognizes the importance and contribution of Human Resource for its growth and development and is committed to the development of people. As on March, 2011, the Company has about 150 employees in it's various offices and factory.

Cautionary Statement

Statements in the Management Discussions and Analysis describing the Company's objectives, expectations or predictions may be forward looking within the meaning of applicable securities, laws and regulations. Actual results may differ materially from the statements. The important factors that could influence the Company's operations include cost of fuel, determination and other dues, changes in Government regulations, tax laws, economic developments and improvement in the demand of Beer in the domestic as well as international market and such other factors.

REPORT ON CORPORATE GOVERNANCE

(Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges)

1. HBBL Philosophy on Code of Governance

The Securities and Exchange Board of India (SEBI) has introduced a Code of Corporate Governance by way of amendment to the listing agreements with the Stock Exchanges. The Company has complied with the mandatory requirements of the code and Company's Policies on Corporate Governance are given below :-

The company's philosophy on Corporate Governance envisages the attainment of the highest levels of transparency, professionalism and accountability, in all facts of its operations, and in all its interactions with its stakeholders, including shareholders, employees, the government and lenders. The company will endeavor to improve on these aspects on ongoing basis.

2. Board of Directors**(i) Composition**

The Board has five (5) Directors out of which two (2) are Executive Directors and three (3) are Non- Executive Directors. The Company has Managing Director, who is responsible for day to day operations of the Company. The Company has also a Whole time Director to look after operations in the Plant under the supervision of Managing Director of the Company.

The Board members are professionally competent and possess the expertise, skills and experience required to guide the Company's growth. The Board has complete access to any information within the Company.

The composition and category of Directors in the Board of the Company are:-

Executive Director

Shri Rajendra Kumar Agarwal, Managing Director
Shri N. K. Pokharna, Whole Time Director

Non-Executive Director

Shri Chanderbhan Agarwal
Shri Vinodkumar Agarwal
Shri S.W. Wagh.

The Executive Directors are appointed by the Shareholders for a maximum period of 5 years at one time, but are eligible for reappointment upon completion of their tenure. The Non-executive Director do not have specified terms, but retire by rotation as per law

(ii) Board Meetings

Normally, Board Meetings are scheduled 15 days in advance and most of them are held at Company's Registered Office in New Delhi and at Thane, Maharashtra.

The Agenda for each meeting along with Explanatory Notes are distributed well in advance to the Board Members and every Board Members is free to suggest the inclusion of additional items on the Agenda. Normally, the Board Meets once in a quarter to review the Quarterly Results and other items on Agenda.

During the year ended 31st March, 2011, Four(4) Board Meetings were held with at least one meeting in every quarter on

No.	Date
1	28/04/2010
2	28/07/2010
3	27/09/2010
4	26/10/2010
5	25/01/2011
6	27/03/2011

Attendance of each Directors at Board Meeting and last AGM

Attendance of Directors at the Board Meeting held during the Financial Year 2010-2011 and the last Annual General Meeting are as under:-

Name of the Director	Meetings Held during tenure of the Director	Meetings Attended	Attendance at Previous AGM On 16/08/2011
Shri. S. W. Wagh	6	3	Yes
Shri. Chanderbhan Agarwal	6	6	Yes
Shri. Vinod Kumar Agarwal	6	5	Yes
Shri. Rajendra Kumar Agarwal	6	6	Yes
Shri. N. K. Pokharna	6	5	Yes
Shri. Sanjay Agarwal	6	1	Yes

(iii) **Other Directorships**

No Director holds membership in more than 10 Committees or act as Chairman of more than 5 Committees.

Number of Directorship on other Boards & Membership / Chairmanship of Committees of other Boards are as under:-

Name of Directors	Other Public Limited Companies Directorship	Committee Membership	Chairmanship
Shri. S. W. Wagh	NIL	NIL	NIL
Shri. Chanderbhan Agarwal	NIL	NIL	NIL
Shri. Sanjay Agarwal	NIL	NIL	NIL
Shri. Rajendra Kumar Agarwal	NIL	NIL	NIL
Shri. N. K. Pokharna	1	1	NIL

HINDUSTAN BREWERIES & BOTTLING LIMITED

(iv) **Attendance of Directors at Board Meeting held during 2010-2011**

Date of Meeting	Board Strength	No. of Directors Present
28/04/2010	5	5
28/07/2010	5	5
27/09/2010	5	5
26/10/2010	5	5
25/01/2011	5	5
27/03/2011	5	5

Details of the Directors being appointed/ reappointed:-

Shri Chanderbhan Agarwal and Shri Sanjay Agarwal retire by rotation at the ensuing Annual General Meeting and they eligible Mr. Sanjay Agarwal offers himself for appointment.

Name	Shri Chanderbhan Agarwal	Shri Sanjay Agarwal
Father's Name	Atmaram Agarwal	Atmaram Agarwal
Address	Plot No 50, Agarwal House, Burudgao Road, Ahmed Nagar- 414 001. Maharashtra.	Plot No 50, Agarwal House, Burudgao Road, Ahmed Nagar- 414 001. Maharashtra.
Age	57	29
Qualification	Graduate	Graduate
Experience	More than 25 years	More than 6 years
Nature of Experience in specific areas	Graduate & having rich exposure to liquor industry and has vast knowledge in Marketing.	Graduate & having rich exposure to liquor industry and has vast knowledge in Marketing.
Details of other Directorship held (in India or abroad)	NIL	NIL
Details of the Committee Membership	NIL	NIL

3. **Audit Committee**

The Audit Committee as on 31st March 2011 consists of Three Directors viz, Shri Chanderbhan Agarwal, Shri Sanjay Agarwal and Shri. Rajendra Kumar Agarwal.

The constitution of Audit Committee also meets with the requirements of sec 292A of the Companies Act, 1956.

The composition, role, functions and powers of the Audit Committee are in line with the requirements of applicable laws and regulations.

The terms of reference cover all areas provided in clause 49II (D) of the listing agreement and includes the following:

- To review the quarterly and annual financial statements before submission to the Board for approval.
- To review with the management, performance of statutory and internal auditors and the adequacy of the internal control systems.
- To review reports of the internal Auditors and to discuss these periodically with the Company's officials relating to internal control procedures.
- To meet Statutory Auditors and discuss their findings.
- To recommend appointment of Statutory auditors and fees payable to them.
- To review related party transactions.
- To review the compliance with listing and other legal requirements relating to financial statements.

During the year the Committee has met Four times, as per the minimum requirement of three meetings. Attendance of each Member at the Committee meeting were as follows:

S.No.	Name of the Member	Status	No of meetings Attended
1)	Shri Rajendra Kumar Agarwal	Managing Director	5
2)	Shri Vinod Kumar Agarwal	Non Executive Director	5
3)	Shri Chanderbhan Agarwal	Non Executive Director	5
4)	Shri. Sanjay Agarwal	Non Executive Director	1

4. Remuneration Committee

Remuneration Committee consists of Two Non – Executive Independent Directors viz. Shri Sanjay Agarwal and Shri Chanderbhan Agarwal.

The remuneration Committee has been constituted to recommend/ review the remuneration package of the Managing Director/Wholetime Director. The remuneration policy is in consonance with the existing industry practice and also with the provisions of Companies Act.

The Committee met twice during the year under review.

Details of remuneration paid to Managing Director and Whole Time Director for the year:

The company has not paid any remuneration to Managing Director however the company as paid remuneration of Rs. 720,000/- to Whole Time Director for the year ended 31st March, 2011.

Remuneration paid to Non – Executive Directors:

No Remuneration is paid to Non – Executive Directors.

5. General Body Meeting**Location & Time of last three Annual General Meetings**

The last three Annual General Meetings of the Company were held at the venue given below on the dates and times mentioned herein.

Year	Date of Meeting	Venue	Time
2007-2008	30.09.2008	Lajwaab House, G- 78, Preet Vihar Delhi	4.00 P.M.
2008-2009	27.09.2009	Lajwaab House, G- 78, Preet Vihar Delhi	4.00 P.M.
2009-2010	30.09.2010	Lajwaab House, G- 78, Preet Vihar Delhi	4.00 P.M.

Details of Special Resolution in Last 3 Annual General Meetings:

- (a) At the Annual General Meeting held on 30th September 2008 special resolution pursuant to provision of section 269 read the provision of schedule XIII of the Act and other applicable provisions of the Companies Act 1956 was passed.
- (b) No Special Resolution was passed at Annual General Meeting on 27.09.2009.
- (c) (a) No Special Resolution was passed at Annual General Meeting on 30.09.2010.

6. Disclosures

- (a) Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, with its Promoters, the Directors or the Management, their subsidiaries or relatives etc. that may have potential conflict with the interest of the Company at large.

None of the transaction with any of the related parties was in conflict with interests of the Company.

Transactions with the related parties are disclosed in Note No. 17 of Schedule 20 to the Accounts in the Annual Report.

- (b) Details of non – compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI, or any Statutory Authority, on any matter related to Capital markets, during the last three years.

Company is submitting with BSE & DSE Quarterly Result, since company is became Sick company as per the provision of SICA Company could not comply with all the provision of Stock Exchange's Listing Agreement.

7. Means of Communication**Half yearly report sent to each household of shareholders**


Half yearly report is not sent to each household of shareholders the Company.

Quarterly Results

The quarterly results excepts are published as per the requirements of the Listing Agreement.

The Management Discussion and Analysis (MD & A) is a part of the Annual Report.

8. General Shareholder Information

- (a) Annual General Meeting :
Date & Time : 29/092011 at 4.00 P.M.
Venue : Preet Vihar, Vikas Marg, Delhi - 110 092.
- (b) Book Closure date : 25/09/2011to 29/09/2011
(Both days inclusive)
- (c) Listing of Equity Shares on Stock Exchanges : Mumbai & Delhi Stock Exchange.
- (d) (i) **Stock Code**
Scrip Code No. : Delhi Stock Exchange : 08054
: Bombay Stock Exchange Ltd : 507140
- (e) Stock market data : 
During the period from 01-04-2010 to 31-03-2011 no trading took place in equity shares of the company at Delhi Stock Exchange & Bombay Stock Exchange Ltd. Bombay Stock Exchange Ltd have suspended trading in shares of the company.
- (f) Share Transfer System
Presently, the share transfers which were received in physical form are processed and the share certificates returned within a period of 21 days from the date of receipt, subject to the documents being valid and complete in all respects.
- (g) a) **Shareholding pattern as on 31st March, 2011**

S.No.	Category	No. of Shares	Percentage
1	Promoters/ Directors	5068279	84.49
2	Indian Financial Institutions, Banks, MutualFunds	950	0.01
3	Others	928796	15.50

HINDUSTAN BREWERIES & BOTTLING LIMITED

b) Distribution on shareholding as on 31st March, 2011

No. of shares held	No. of Shareholders	No. of Shares (Issued Equity)	% of Share
1- 500	1747	22696	0.38%
501 –1000	7	46525	0.77%
1001 – 10000	7	22725	0.38%
10001 – 100000	5	137800	2.30%
Above 100000	24	5768279	96.17%
Total	1790	5998025	100

(h) Dematerialisation of shares and Liquidity

The shares of the company are traded in physical form by all categories of investors Although Stock Exchange advised to trade the share in Demat Form but the company has not yet dematerialized it shares.

- (i) Plant Location : C –23/ 24, Wagle Industrial Estate
Thane – 400 604 (Maharashtra)
- (j) Investor correspondence for transfer, payment of dividend on shares and any other query relating to the shares of the company : C –23/ 24, Wagle Industrial Estate
Thane – 400 604 (Maharashtra)
- E-Mail : hbb_l_thane@yahoo.co.in

The above report was adopted by Board of Directors at their meeting held on 16th August, 2011.

DECLARATION

The Board has laid down a code of conduct for all Board Members and Senior Management of the Company. The Board Members and Senior Management have affirmed Compliance with the code of conduct.

For Hindustan Breweries and Bottling Limited

SD/-

**N K POKHARNA
WHOLE TIME DIRECTOR**

CMD/CFO CERTIFICATION

The Whole Time Director appointed in terms of Companies act 1956, certify to the Board that:-

- a. The Financial Statement and Cash Flow Statement for the year has been reviewed and to the best of his knowledge and belief are true and present a true and fair view of the Companies affairs.
- b. To the best of his knowledge and belief no transaction entered are fraudulent illegal or violate the Company's Code of Conduct.
- c. They accept the responsibility for establishing and maintaining internal controls for financial reporting and that he has evaluated the effectiveness, disclosing the deficiencies to the Auditors and Audit Committee and take steps or proposed to take steps to rectify these deficiencies.
- d. They indicated to the Auditors and the Audit Committee:
 - a. Significant changes in the Internal Control Process during the year.
 - b. Significant changes in the Accounting Policies.
 - c. Instances of significant fraud of which they have become aware.

This statement is in accordance with the fact that the Board including the Audit Committee shall provide the necessary superintendence and control over the Managing Director.

COMPLIANCE CERTIFICATE OF THE AUDITORS

A certificate from the auditors of the company regarding compliance of Corporate Governance as stipulated under clause 49 of the Listing Agreement is attached to this report.

**On the behalf the Board
Hindustan Breweries & Bottling Limited**

Date : 16th August, 2011
Place : Mumbai

**Rajendra Kumar Agarwal
Managing Director**

**N. K. Pokharna
Whole Time Director**

Auditors' Certificate on Compliance with the Conditions of Corporate Governance under clause 49 of the listing agreements

To the Members of HINDUSTAN BREWERIES & BOTTLING LIMITED

1. We have reviewed the implementation of Corporate Governance by Hindustan Breweries & Bottling Ltd. during the year ended 31st March 2011, with the relevant records and documents maintained by the company, furnished to us for our review and the report on Corporate Governance as approved by the Board of Directors
1. The compliance of conditions on Corporate Governance is the responsibility of the managements our examination was limited to review of procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

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

2. We state that no investor grievances are pending for a period exceeding one month against the company as per the records maintained by the shareholders/ Investors Grievance Committee.
3. On the basis of our review and according to the information and explanations provided to us, the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement(s) with the Stock Exchanges have not been complied with all the provision of clause 49 of the listing agreement and company's Audit committee and Remuneration committee constitution , composition of Board of Directors is not as per the provision of clause 49 of the listing agreement, company has not prepared code of conduct, EDIFAR provision, and Reporting requirement of BSE and DSE as per listing agreement.

For RAJIV PETHKAR & ASSOCIATES
Chartered Accountant
(Reg. No. 112738w)

Place: Mumbai
Date : 16th August, 2011

(Rajiv Pethkar)
Proprietor
M.N.046027

TO THE MEMBERS OF HINDUSTAN BREWERIES & BOTTLING LIMITED

We have audited the attached Balance Sheet of **HINDUSTAN BREWERIES & BOTTLING LIMITED** as at 31st March 2011 and the related Profit & Loss Account and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conducted our audit in accordance with the auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from any material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosure in the financial statements. An audit also includes, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.
2. As Required by the companies (Auditor's Report) Order, 2003, and amended by companies (Auditor Report) (Aemnded) Orde 2004, issue by the Central Government of India, in terms the of Sections 227(4A) of the Companies Act, 1956, on the basis of such checks of the books of the records as we considered appropriate and the information and explanations ginev to us during the course of the audit, we annex hereto a statement on the matter specified in paragraph 4 and 5 the said Order .
3. Further to our comments in the Annexure referred to in paragraph (3) above, we report that:
 - i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - ii) In our opinion, proper books of accounts as required by law have been kept by the Company, so far as appears from our examination of the books.
 - iii) The Balance Sheet , Profit and Loss Account and Cash Flow Statement dealt with this report are in agreement with the books of account.
 - iv) In our opinion and subject to our observation in para (vi) below the Balance Sheet , Profit and Loss Account and Cash Flow Statement dealt with this report comply with the Accounting Standards referred to in sub section 3(c) of section 211 of the Companies Act, 1956.
 - v) According to the information and explanations given to us and on the basis of written representations from the directors of the company and taken on record by the Board of the Company, none of the directors is disqualified as on 31st March, 2011 from being appointed as a director under section 274(1)(g) of the Companies Act, 1956.
- vi)
 - i) The Company has not provide accrued liability towards gratuity amounting to Rs. 1,83,74,026/= and Liability towards leave encashment amounting to Rs. 45,55,960/= (Refer Note No 4)
 - ii) The company has not adopted 'Accounting Standard 22-Accounting for Taxes on Income'. Consequently no provision has been made for Deferred Tax Liability
 - iii) The Company has not provided for doubtful debts of Rs. 64,70,769/-
 - iv) The Company has not provide of Managing Director Remuneration amounting to Rs. 900000/=
- v) In our opinion and to the best of our information and according to the explanations given to us, *subject*

HINDUSTAN BREWERIES & BOTTLING LIMITED

to our observations in paras (vi) above, the said accounts read together with the significant accounting policies and the notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view :-

- a) In the case of the Balance Sheet of the state of affairs of the Company as at 31st March, 2011,
- b) In the case of the Profit and Loss Account, of the profit for the year ended on date, and
- c) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For Rajiv Pethkar & Associates
Chartered Accountants
(Reg. No. 112738W)

Rajiv Pethkar
Proprietor
(M.N. 046027)

Mumbai; 16th August, 2011.



ANNEXURE TO THE AUDITORS' REPORT (Referred to in paragraph (1) thereof)

The Annexure referred to in the auditors' report to the members of HINDUSTAN BREWERIES & BOTTLING LIMITED (the Company) for the year ended March 31, 2011. We report that :

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
(b) The Company has a phased programme of physical verification of its fixed assets which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, the management has physically verified fixed assets during the year and no material discrepancies were noticed on such verification.
(c) No fixed assets were disposed off during the year. Accordingly Clause 4(i)(c) of the Order is not applicable.
2. (a) Inventory has been physically verified by the Management during the year in our opinion the frequency of verification is reasonable.
(b) In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
(c) On the basis of our examination of inventory records, in our opinion, the company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to books records were not material.
3. (a) The Company had not granted any unsecured loan to the companies/person covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly clause 4 (iii) (b) to (d) of the Order are not applicable to the company.
(e) The company has taken interest free unsecured loan from three other companies/persons covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs 574 lakhs and the year end balance of loans taken from such parties was Rs. 574 lakhs.
(f) In our opinion the rate of interest and other terms and conditions on which loans have been taken from companies, firms or other parties listed in the registers maintained under section 301 are not, *prima facie*, prejudicial to the interest of the company.
(g) The Company is regular in repaying the principal amounts as stipulated and has been regular in the payment of interest wherever applicable.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, no major weakness has been noticed in the internal control.
5. a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance to contracts or arrangements entered in the register maintained under section 301 have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.

HINDUSTAN BREWERIES & BOTTLING LIMITED

6. Based on our scrutiny of the company's records and according to the information and explanations provided by the management, in our opinion, the company has not accepted any public deposits so far up to 31st March, 2011.
7. ***In our opinion, the company does not have any formal internal audit system commensurate with the size of the company and the nature of its business.***
8. According to the information and explanations provided by the management, the company has not been prescribed any cost records under section 209 (1) (d) of the Companies Act, 1956 in respect of products manufactured by the company.
9. (a) According to the records of the company, the company is regular in depositing with appropriate authorities undisputed statutory dues including income tax and other statutory dues applicable to it.
(b) According to the information and explanation given, no undisputed amounts payable in respect of income tax, wealth – tax, service, custom duty and excise duty were outstanding, as at 31st March, 2011 for a period of more than six months from the date they become payable.
(c) According to the records of the company, there are no dues of sales tax, income tax, custom tax, wealth tax, excise duty/cess which have been deposited.
10. The Company does not have accumulated losses as on the date of balance sheet. The accumulated losses are more than 50% of the company's net worth. The Company has not incurred any cash losses during the year covered by our audit and the immediately preceding financial year.
11. According to the records of the company, the company has not borrowed from financial institutions or banks or issue debentures during the financial year ended 31st March, 2011.
12. According to the records of the company, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures or other securities.
13. In our opinion, and to the best of our information and according to the explanations provided by the management, we are of the opinion that the company is neither a Chit Fund nor a nidhi / mutual benefit society. Accordingly clause 4 (xiii) of the Order is not applicable.
14. On the basis of our examination of the companies records we are of the opinion that the company is maintaining adequate records regarding transaction and contracts regarding trading activities in shares, securities, debentures and other investments, have been held by the company in its own name except to the extent of exemption granted under section 49 of the Companies Act, 1956.
15. According to the records of the company and the information and explanations provided by the management, the company has not given any guarantee for loans taken by other from bank or financial institutions.
16. According to the record of the company, the company has not obtained any term loans from bank or financial institutions. Accordingly clause 4 (xvi) of the Order is not applicable.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term investment by the company.
18. According to the records of the company and the information and explanations provided by the management, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.

19. According to records of the Company, the company has not issued any debentures.
20. The Company has not raised any money by public issues during the period covered by our audit report.
21. Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

For Rajiv Pethkar & Associates
Chartered Accountants
(Reg. No. 112738W)

Rajiv Pethkar
Proprietor
(M.N. 046027)

Mumbai; 16th August, 2011.



Balance Sheet
As At 31st March, 2011

HINDUSTAN BREWERIES & BOTTLING LIMITED

		SCHEDULES		As at 31.03.2011 Rupees	As at 31.03.2010 Rupees
SOURCE OF FUND					
SHAREHOLDERS' FUND					
Share Capital	1	59980250			59980250
Reserves & Surplus	2	<u>3813</u>			<u>3813</u>
			59984063		59984063
LOAN FUNDS					
Unsecured Loans	3			<u>57400000</u>	<u>57400000</u>
				<u>117384063</u>	<u>117384063</u>
APPLICATION OF FUNDS					
FIXED ASSETS					
Gross Block		253533603			251706686
Less : Depreciation		<u>149393376</u>			<u>138648586</u>
Net Block	4		104140226		113058099
INVESTMENTS					
	5		59675		59675
CURRENT ASSETS, LOANS & ADVANCES					
Inventories	6	9902960			25594786
Sundry Debtors	7	57414427			64723905
Cash & Bank Balances	8	13748439			8652252
Loans & Advances	9	<u>19783567</u>			<u>21682391</u>
		<u>100849392</u>			<u>120653334</u>
Less : Current Liabilities & Provisions					
Current Liabilities	10	180722020			212598451
Provisions		-			1025000
		<u>180722020</u>			<u>213623451</u>
Net Current Assets			(79872628)		(92970117)
DEFERRED TAX :					
Deferred tax Assets		32841782			35398153
Deferred tax Liabilities		<u>32841782</u>			<u>35398153</u>
MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)					
Deferred Revenue Expenditure	11		165712		543916
PROFIT & LOSS ACCOUNT					
			92891078		96692490
			<u>117384063</u>		<u>117384063</u>
NOTES ON ACCOUNTS					
Schedules 1 to 19 form an integral part of accounts	19				

As per our report of even date annexed
For Rajiv Pethkar & Associates
Chartered Accountants
(Reg. No. 112738W)

Rajiv Pethkar
Proprietor
M.N. 046027
Place : Mumbai
Date : 16th August, 2011

Rajendra Agarwal
Managing
Director

N. K. Pokharna
Wholetime
Director

Profit & Loss Account
As At 31st March, 2011

HINDUSTAN BREWERIES & BOTTLING LIMITED

	SCHEDULES	As at 31.03.2011 Rupees	As at 31.03.2010 Rupees
INCOME			
Turnover (Gross)		501393985	453555433
Less : Excise duty		237653049	228319082
Turnover (Net)			
		263740936	225236351
Other Income	12	22209522	15911059
Accretion / (Decretion) in Stocks	13	(18102954)	(6402286)
		267847504	234745124
EXPENDITURE			
Material consumed	14	123299077	114633433
Power, Water & Fuel		35357456	29855475
Employees	15	36873689	33210269
Selling & Distribution expenses	16	31823885	18900535
Other expenses	17	24056279	29503016
		251410386	226102727
Profit/(Loss) before Interest, Dep & Tax		16437119	8642397
Interest and Finance charges	18	27754	858411
Profit/(Loss) before Depreciation		16409365	7783986
Depreciation		10744790	10753437
Profit/(Loss) before Taxation		5664575	(2969451)
Provision for Tax - MAT		1863161	-
Profit/(Loss) After Taxation		3801414	(2969451)
Balance brought forward from previous year		(96692492)	(93723041)
Loss carried to Balance Sheet		(92891078)	(96692492)
Basic and diluted earning per share (in Rs.) (Note 16 Schedule 20)		0.63	(0.50)

NOTES ON ACCOUNTS 19
Schedules 1 to 19 form an integral part of accounts

As per our report of even date annexed
For Rajiv Pethkar & Associates
Chartered Accountants
(Reg. No. 112738W)

Rajiv Pethkar
Proprietor
M.N. 046027
Place : Mumbai
Date : 16th August, 2011

Rajendra Agarwal
Managing
Director

N. K. Pokharna
Wholetime
Director

SCHEDULES FORMING BALANCE SHEET FOR THE YEAR ENDED 31.03.2011

	As at 31.03.2011 Rupees	As at 31.03.2010 Rupees
<u>SCHEDULE 1 : SHARE CAPITAL</u>		
AUTHORISED *		
60,00,000, equity shares of Rs.10 each	60000000	60000000
	<u>60000000</u>	<u>60000000</u>
ISSUED		
60,00,000, equity shares of Rs.10 each	60000000	60000000
	<u>60000000</u>	<u>60000000</u>
SUBSCRIBED AND PAID UP		
59,98,025 equity shares of Rs.10 each.	59980250	59980250
	<u>59980250</u>	<u>59980250</u>
<u>SCHEDULE 2 : RESERVES & SURPLUS</u>		
Capital Reserve	3813	3813
	<u>3813</u>	<u>3813</u>
<u>SCHEDULE 3 : UNSECURED LOANS *</u>		
From Directors/Share Holders (Interest Free)	57400000	57400000
	<u>57400000</u>	<u>57400000</u>
* Free of interest		

SCHEDULE 4 : FIXED ASSETS

	Assets				Dep				CIWDV			
	AS AT	ADDITIONS	SALES/	TOTAL	UPTO	FOR THE	ADJUST-	TOTAL	AS AT	AS AT	AS AT	AS AT
	01.04.2010	DURING	ADJUST-	AS AT	31.03.2010	YEAR	MENT	AS AT	31.03.2011	31.03.2011	31.03.2011	31.03.2010
Rs.	THE YEAR	MENT	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs
LAND-LEASEHOLD	47,614,255	-	-	47,614,255	8,074,663	723,737	-	8,798,400	38,815,855	39,539,592		
BUILDINGS & SHEDS	39,980,410	-	-	39,980,410	17,088,219	1,335,346	-	18,423,564	21,556,846	22,892,191		
RESIDENTIAL FLATS	943,459	-	-	943,459	310,980	15,378	-	326,358	617,100	632,479		
PLANT & MACHINERY	149,116,899	50,000	-	149,166,899	101,363,337	7,874,537	-	109,237,874	39,929,025	47,753,562		
BOILER	896,896	-	-	896,896	786,152	101,439	-	887,591	9,305	110,744		
ELECTRIC FITTINGS	2,707,557	-	-	2,707,557	2,082,830	128,609	-	2,211,439	496,118	624,727		
FURNITURE & FIXTURES	1,685,947	-	-	1,685,947	1,666,302	-	-	1,666,302	19,645	19,645		
COMPUTER	716,797	-	-	716,797	504,855	99,706	-	604,562	112,235	211,942		
OFFICE & FACTORY EQUIPMENT	5,054,006	-	-	5,054,006	4,043,802	181,944	-	4,225,746	828,260	1,010,204		
VEHICLES	2,990,460	1,776,917	-	4,767,377	2,727,448	284,094	-	3,011,541	1,755,836	263,012		
TOTAL	251,706,686	1,826,917	-	253,533,603	138,648,586	10,744,790	-	149,393,376	104,140,226	113,058,099		
PREVIOUS YEAR	251632134	74,552	-	251,706,686	127,895,150	10,753,437	-	138,648,586	113,058,099			

HINDUSTAN BREWERIES & BOTTLING LIMITED

			As at 31.03.2011 Rupees	As at 31.03.2010 Rupees
SCHEDULE 5 : INVESTMENTS				
Long Term Trade Investments	Number	Face Value		
In fully paid equity shares - Quoted				
Arlem Breweries Limited	400	10	6100	6100
SKOL Breweries Limited	200	10	3575	3575
In partly paid equity shares - Unquoted				
Pentagon Screws & Fastners Limited	10000	5	50000	50000
			<u>59675</u>	<u>59675</u>
Aggregate value of quoted investments			9675	9675
Aggregate value of unquoted investments			50000	50000
			<u>59675</u>	<u>59675</u>
Market value of quoted investments			-	-

SCHEDULE 6: INVENTORIES

(As taken, valued and certified by the management)

Raw materials	4815649	4949282
Stores & Spares	3320742	775981
Finished goods	2030	17991522
Stock-in-process	1764538	1878000
	<u>9902960</u>	<u>25594786</u>

SCHEDULE 7: SUNDRY DEBTORS (UNSECURED)

Over six months: (unsecured)

a) Considered Doubtful Not Provided for	9485773	9495772
b) Others (Unsecured)		
Considered Good	47928654	55228133
	<u>57414427</u>	<u>64723905</u>
	<u>57414427</u>	<u>64723905</u>

SCHEDULE 8: CASH & BANK BALANCES

Cash in hand	1153743	312911
Balance with scheduled Banks		
In Current Accounts	12561231	8034096
In Fixed Deposit/Margin Money Account	33465	305245
	<u>13748439</u>	<u>8652253</u>

HINDUSTAN BREWERIES & BOTTLING LIMITED

	<u>As at</u> <u>31.03.2011</u> <u>Rupees</u>	<u>As at</u> <u>31.03.2010</u> <u>Rupees</u>
<u>SCHEDULE 9 : LOANS AND ADVANCES</u>		
(Unsecured-considered good)		
Advances (Recoverable in cash or in kind or for value to be received)	14030495	12851286
Balance with Central Excise Authorities	3303895	3515273
Security deposits	2406159	2406159
Advance Income Tax (Including Tax Deducted at Source)	43018	2909670
	19783567	21682391
<u>SCHEDULE 10 : CURRENT LIABILITIES & PROVISIONS</u>		
a) Current Laiblities		
Sundry Creditors	58843646	1202638 85084284
Other Liabilities	44080833	46696835
Advances from customers	60634877	60952030
Trade Deposits	17162664	18662664
	180722020	212598451
b) Provisions		
Provision for Tax - Income Tax	-	260000
Provision for Tax - Fringe Benefit Tax	-	765000
	-	1025000
	180722020	213623451
<u>SCHEDULE 11 : DEFERRED REVENUE EXPENDITURE</u>		
(To the extent not taken off or adjusted)		
As per last Balance Sheet	543915	2056730
Add : incurred during the year	-	-
	543915	2056730
Less : written off during the year	1512815	1512814
	378204	1512814
	165712	543915

HINDUSTAN BREWERIES & BOTTLING LIMITED

	<u>As at</u> <u>31.03.2011</u> <u>Rupees</u>	<u>As at</u> <u>31.03.2010</u> <u>Rupees</u>
<u>SCHEDULE 12 : OTHER INCOME</u>		
Conversion Charges	17214822	12176160
Interest (T.D.S. Rs. 21509/- P.Y. Rs. 21509/-)	94925	98873
Sundry balances written back	-	-
Miscellaneous Income	4899775	3636026
	<u>22209522</u>	<u>15911059</u>

SCHEDULE 13 : ACCRETION / (DECRETION) IN STOCKS

Closing Stocks		
Finished goods	2030	17991522
Stock in process	1764538	1878000
	<u>1766568</u>	<u>19869522</u>
Opening Stocks		
Finished goods	17991522	22212000
Stock in process	1878000	4059808
	<u>19869522</u>	<u>26271808</u>
Acretion / (Decretion) in stocks	<u>(18102954)</u>	<u>(6402286)</u>

SCHEDULE 14 : MATERIALS CONSUMED

Raw Material consumed :

Opening Stock	4949282	10238659
Add : Purchases	123165444	109344056
	<u>128114726</u>	<u>119582715</u>
Less : Closing Stock	4815649	4949282
	<u>4815649</u>	<u>4949282</u>
	<u>123299077</u>	<u>114633433</u>

HINDUSTAN BREWERIES & BOTTLING LIMITED

	As at 31.03.2011 Rupees	As at 31.03.2010 Rupees
SCHEDULE 15 : EMPLOYEES		
Salaries, Wages, Allowances & Bonus	33784016	30480284
Contribution to Provident Fund/Pension Fund, Employees State Insurance, etc.	1984467	1480435
Workmen & Staff Welfare expenses	1105206	1249550
	<u>36873689</u>	<u>33210269</u>

SCHEDULE 16 : SELLING & DISTRIBUTION EXPENSES

Rebates & Discounts on sale	18761561	15217922
Freight, Forwarding & Packing charges	2301035	2270542
Sales Promotion and Advertisement & Publicity	6631355	23360
Other expenses (Excise Supervision Charges)	4129933	1388711
	<u>31823885</u>	<u>18900535</u>

HINDUSTAN BREWERIES & BOTTLING LIMITED

	As at 31.03.2011 Rupees	As at 31.03.2010 Rupees
<u>SCHEDULE 17 : OTHER EXPENSES</u>		
Stores and spare Parts Consumed	370596	369413
Packing Material Consumed	11129743	17262118
Rent, Rates, Taxes & Fees	48820	83820
Repairs & Maintenance		
Plant & Machinery	3572025	2359584
Buildings	215298	33886
Others	730187	75613
	<u>3817510</u>	<u>2469083</u>
Travelling and Conveyance	1245993	946571
Directors Remuneration	720000	720000
Directors Sitting Fees	-	-
Insurance	233858	170371
Licences fees	903959	722630
Printing & Stationery	131472	203427
Telephone Expenses	153309	201674
Motor Car Expenses	1268806	901047
Professional Fees	794350	848786
Auditors' Remuneration		
As Audit Fees	358475	358475
As Tax Audit Fees	137875	137875
	<u>496350</u>	<u>496350</u>
Charity & Donation	21000	-
Deferred revenue expenditure w/off	378204	1512816
Miscellaneous expenses	2342310	2594911
	<u><u>24056279</u></u>	<u><u>29503016</u></u>

SCHEDULE 18 : INTEREST & FINANCE CHARGES

Bank charges	27754	13448
Others	-	844963
	<u>27754</u>	<u>858411</u>

19. NOTES ON ACCOUNTS**1. Significant Accounting Policies****Basis of Preparation of Financial Statements**

The financial statements have been prepared under the historical cost convention in accordance with the generally accepted accounting principles and the provisions of the Companies Act, 1956 subject to what is stated herein below, as adopted consistently by the company.

Fixed Assets

Factory land, buildings, plant & machinery and electric fittings, which were revalued on 31.03.1999, are stated at the revalued figure. Other fixed assets are stated at cost of acquisition, inclusive of inward freight, duties, taxes and incidental expenses related to acquisition. In respect of major projects involving construction related pre-operational, start-up and trial run expenses form part of the value of the assets capitalized. As per practice, expenses incurred on modernisation/debottle necking/ relocation/relining of plant and equipments are capitalised.

Fixed assets acquired under hire purchase schemes are capitalised at their principal value and hire charges are expensed. Fixed assets taken on lease before 31.03.2001 are not treated as assets of the company and lease rentals are charged to revenue on accrual basis. However, lease transactions entered / to be entered into after 1.4.2001 shall be accounted for in accordance with Accounting Standard 19 on "Leases". Hire charges/lease rentals pertaining to the period up to the date of commissioning of the assets are capitalised.

An Asset is treated as Impaired when the carrying cost of assets exceeds its recoverable value and impairment is charged to the revenue.

Investments

Long term investments are stated at cost. Provision for diminution in the value of long term investments is made only if such a decline is other than temporary in the opinion of the management.

Current investments are carried at lower of cost and quoted/fair value.

Income from investments is credited to revenue in the year in which it accrues. Income is stated in full and tax thereon is being accounted for under income tax payments.

Inventories

Inventories are valued at lower of cost or net realisable value. Cost is determined using the first-in-first-out (FIFO) formula. Finished goods and stock in process include cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

Revenue Recognition

Sales are recognised on dispatch of goods to customers. Sales are net of returns and include amount recovered towards excise duty but exclude rebates and discounts. Similarly income from conversion charges also includes excise duty recovered.

Claims and Benefits

Unless otherwise specified claims recoverable and export benefits are accounted on accrual basis to the extent considered receivable.

Depreciation

Depreciation on fixed assets (other than revalued assets) is calculated on straight-line method in accordance with Schedule XIV of the Companies Act, 1956. In respect of revalued fixed assets depreciation is calculated on Straight Line method on the gross value of assets as increased by the amount of revaluation. Leasehold land is being depreciated over the lease period. In respect of residential space, where no separate break-up of cost between land & building is available, depreciation has been provided on the total value of residential space.

Tax, Duties etc.

Provision is made for excise duty and export duty on finished goods lying in stock at factory/bonded warehouse at the close of the year.

Employees

Liabilities towards gratuity, leave encashment and ex-gratia are provided for in the year in which the same are actually paid. (see note 6)

Provident fund is accrued on monthly basis in accordance with the terms of contract with the employees and is deposited with the "Statutory Provident Fund".

Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of the assets. Other borrowing costs are recognised as an expense in the period in which they are incurred. Capitalisation of borrowing costs ceases when substantially all activities necessary to prepare the qualifying asset for its intended use or sale are complete.

Research & Development

While revenue expenditure on research & development is charged against the profit of the year in which it is incurred, capital expenditure is shown as an addition to fixed assets.

Deferred Revenue expenditure

Deferred revenue expenditure represents expenditure the benefit of which is expected to flow over a period of time, and is charged off on a pro-rata basis over a period of five years. Such expenditure includes (i) stores & spares, major repairs & maintenance incurred on plant & machinery, building & furniture, (ii) exit payments to employees, etc.

Share Issue expenditure

Share issue expenditure is charged off over a period of 10/5 years.

Taxation

Deferred taxation is provided using the liability method in respect of the tax effect arising from all material timing differences between the accounting and tax treatment of income and expenditure which are expected with reasonable probability to crystallize in the foreseeable future.

Deferred tax benefits are recognized in the financial statements only to the extent of any deferred tax liability or when such benefits are reasonably expected to be realized in the near future.

Earning per share

Basic earning per share is calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earning per share is calculated by dividing the net profit attributable to equity shareholders by the weighted average number of equity shares outstanding during the year (adjusted for the effects of dilative options).

Events occurring after balance sheet date

Events occurring after the balance sheet date have been considered in the preparation of financial statements.

Contingent Liabilities

Un provided contingent liabilities are disclosed in the accounts by way of notes giving nature and quantum of such liabilities.

- | | Current
Year
(Rs.) | Previous
Year
(Rs.) |
|---|--------------------------|---------------------------|
| 2. Contingent Liabilities not provided for in respect of: | | |
| (a) Claim from statutory bodies under aopoeal | 4,60,000 | 32,62,440 |
| (b) Claims against the company not acknowledged as debts | 28,49,010 | 28,49,010 |
| 3. As per information available with the Company, none of the creditors has confirmed that they are registered under the Micro, Small and Medium Enterprises Development Act 2006. | | |
| 4. 4. No provision has been made in the accounts in respect of the following liabilities as the company continues to account for the same as and when paid:- | | |
| (a) (a) Accrued liability towards gratuity amounting to Rs.1,83,74,026/= (previous year Rs. 1,78,89,050/=) estimated on the basis of actuarial valuation. | | |
| (b) (b) Accrued liability towards leave encashment amounting to Rs. 45,55,960/= (previous year Rs. 42,58,394/=). | | |
| 5 The outstanding balances of secured loans, unsecured loans, sundry creditors, current liabilities, sundry debtors, loans and advances and certain bank balances are subject to confirmation , reconciliation and adjustments, which may affect revenue are as per books of accounts only. Differences, if any, shall be accounted for on such reconciliation. | | |
| 6 In the opinion of the management, the current assets loan and advances are expected to realize at least the amount at which they are stated, if realized in the ordinary course of business and provision for all known liabilities have been adequately made in the accounts. | | |
| 7 Factory Land, Building, Plant & Machinery and Electric fittings were revalued on 31-3-1999 by an approved valuer. As a result, the gross value of such assets had increased by Rs. 10,25,35,068/= which had been credited to revaluation reserve and same has been utilised to set off debit balance in Profit and Loss Account in the year March, 2002 on the basis of legal opinion obtained by the company. | | |
| 8 The company's accounts for the year ended 31 st March, 2011 have been prepared on the basis of a "going concern". | | |
| 9 Profit and Loss account includes Rs.7,20,000/= (Previous year Rs. 7,20,000/=) paid during the year to whole | | |

time director as remuneration.

10 The Company does not have Company Secretary as on the date of Balance Sheet as required by the section 383 A of the Company's Act 1956.

11 The company is a single segment company engaged in manufacture of Beer. Accordingly, the disclosure requirement as prescribed in The Accounting Standard (AS)-17 on Segment Reporting issued by the Institute of Chartered Accountants of India is not applicable.

12 **EARNING PER SHARE (EPS)**
Basic/Diluted earnings per share

		Current Year (Rs.)	Previous Year (Rs.)
Loss for the year as per Profit & Loss account	(A)	38,01,414	(29,69,449)
No. of equity shares	(B)	59,98,025	59,98,025
Earning per share	(A/B)	0.63	(0.50)

Note : Diluted earning per share is not disclosed as the same is not applicable.

13 **Related party disclosures**
Related party disclosures, as required by AS-18 "Related Party Disclosures" are given below-
A. Key management personnel

1) Shri Chandrabhan Atmaram Agarwal	Director	
2) Shri Vinodkumar Atmaram Agarwal	Director	Brother of Shri Chandrabhan Atmaram Agarwal
3) Shri Rajendrakumar Atmaram Agarwal	Managing Director	Brother of Shri Chandrabhan Atmaram Agarwal
4) Shri S. W. Wagh	Executive Director	
5) Shri N. K. Pokharna	Whole Time Director	
6) Shri Sanjay V. Agarwal		Son of Vind Kuamr Agarwal

B. **Relatives**
Smt. Chandrakal N. Pokharna (Wife of N.K. Pokharna)
Miss. Divya Pokharna (Daughter of N.K.Pokharna)
Smt. Surekha Rajendra Agarwal (Wife of Rajendra Agarwal)
Mr. Saideep Rajendra Agarwal (Son of Rajendra Agarwal)
Smt. Udha Vinodkumar Agarwal (Wife of Vinodkumar Agarwal)
Mr. Sanjay Vinodkumar Agarwal (Son of Vinodkumar Agarwal)
Mr. Anuj Vinodkumar Agarwal (Son of Vinodkumar Agarwal)
Mr. Arti Vinodkumar Agarwal (Daughter of Vinodkumar Agarwal)
Smt. Krushnarani Chandrabhan Agarwal (Wife of Chandrabhan Agarwal)
Mr. Suraj Chandrabhan Agarwal (Son of Chandrabhan Agarwal)
Srs. Saraswati Suraj Agarwal (Wife of Suraj Agarwal)
Mr. Pravin Chandrabhan Agarwal (Son of Chandrabhan Agarwal)
Mrs. Ruchi Pravin Agarwal (Wife of Pravin Agarwal)
Smt. Meera Wagh (Wife of S.W.Wagh)
Miss. Seema Wagh (Gaughter of S.W.Wagh)

C. **Other Related parties**
Agarwal Traders

HINDUSTAN BREWERIES & BOTTLING LIMITED

D The Following transaction were carried out with related parties in the ordinary course of business:

Nature of Transaction	Referred to in A above	Referred to B above
Sales	—	4,89,67,302/-
Unsecured Loan from Share Holder/ Directors	5,74,00,000/-	—
Outstanding	5,74,00,000/-	—

Note: Related Party relationship is as identified by the company and relied upon by the auditors.

14. In the absence of registration and complete information in respect of status of each creditors, the company is not in a position to identify the amount payable to Micro, Small and Ancillary Enterprises.

15. Additional information pursuant to the provisions of Part II and Part IV of Schedule VI of the Companies Act, 1956 -

A. Particulars in respect of capacities and production

		Licenced Capacity		Installed Capacity		Production	
Class of Goods	Unit	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Beer	Hecto Litres	1,00,000	1,00,000	2,50,000	2,50,000	1,25,811	91,967

Note:(i) Installed capacity is as certified by the management, but not verified by the auditors being a technical matter.

B. Particulars in respect of stocks and turnover of goods produced

		Opening Stock		Closing Stock		Turnover	
Class of goods	Unit	Quantity	Value(Rs.)	Quantity	Value(Rs.)	Quantity	Value(Rs.)
Beer	Hecto Liters	3,807	1,79,91,522	1	3,020	1,29,617	50,13,93,985
		(3,666)	(2,22,12,000)	(3,807)	(1,79,91,522)	(91,967)	(45,35,55,433)

Note: Previous year's figures are given in brackets.

C. Particulars in respect of raw materials consumed

		Current Year		Previous Year	
Class of Goods	Unit	Quantity	Value(Rs.)	Quantity	Value(Rs.)
Malt	Kgs.	18,28,275	4,50,98,311	14,08,078	2,53,45,404
Bottles	Nos.	2,03,09,609	5,58,43,388	1,52,82,487	6,11,29,948
Others			247,31,255		2,81,58,081
			12,32,99,077		11,46,33,433

HINDUSTAN BREWERIES & BOTTLING LIMITED

D. Details regarding value of imported & indigenous materials consumed and percentage thereof.

	Raw Materials				Stores, Spare Parts & Packing Materials			
	Current Year		Previous Year		Current Year		Previous Year	
	%	Value (Rs.)	%	Value (Rs.)	%	Value (Rs.)	%	Value (Rs.)
Imported	2.78	34,22,195	3.89	44,60,168	0		0	0
Indigenous	97.22	11,98,76,881	96.11	11,01,73,265	100	1,15,00,339	100	1,76,31,531
	100.00	12,32,99,077	100	11,46,33,433	100	1,11,29,743	100	1,44,10,865

	Current Year (Rs.)	Previous Year (Rs.)
E. C.I.F. Value of imports		
Raw materials	34,22,195/-	44,60,168/-

16 The figures of previous year have been regrouped and recasted wherever necessary to make them comparable with current year figures

F. F.O.B. Value of Exports	0	0
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G. Balance Sheet abstract and company's general business profile:-

(i) Company's Registration details :

Registration No.	5478
State Code	55
Balance Sheet Date	31st March 2011

(ii) Capital raised during the year (amount is Rs. Thousands)

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

(iii) Position of Mobilisation and deployment of funds (amount in Rs. Thousands)

Total Liabilities	117384
Total Assets	117384

Sources of Funds

Secured Loans	-
Unsecured Loans	57400

HINDUSTAN BREWERIES & BOTTLING LIMITED

Paid-up-Capital	59980
Reserves & Surplus	4

Application of Funds

Net Fixed Assets	104140
Investments	60
Net Current Assets	(79873)
Misc. Expenditure	93057

(iv) Performance of the company (amount in Rs. Thousands)

Turnover	267848
Total Expenditure	251410
Profit Before Tax	5665
Profit After Tax	3801
Earning per Share	1
Dividend rate %	

(v) Generic names of three principal products/services of the company

Item Code	2210.1000
Product Description	BEER

Previous year's figures have been rearranged and/or regrouped wherever considered necessary.

As per our report of even date annexed

AS PER PROFIR OF EVEN GATE ATTACHED

As per our report of even date annexed

For Rajiv Pethkar & Associates

Chartered Accountants

(Reg. No. 112738W)

Rajiv Pethkar

Proprietor

M.N. 046027

Place : Mumbai

Date : 16th August, 2011

For and on behalf of the board

Rajendra Agarwal

Managing

Director

N. K. Pokharna

Wholetime

Director

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH 2011**

	Current Year (Rs.)	Previous Year (Rs.)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit / (loss) before tax	3,801,414	(2,969,449)
Add : Adjustment for		
Depreciation	10,744,790	10,753,437
Amortization of deferred revenue & share issue expenditure	378,204	1,512,815
Profit / Loss on Sale of Assets	-	-
Interest	27,754	858,411
Interest received	(94,925)	(98,873)
Operating Profit before working Capital changes	14,857,236	10,056,339
Adjustment for charges in working capital		
Trade & other receivables	9,208,301	(21,772,713)
Inventories	15,691,825	13,555,364
Trade & other Payables	(32,901,431)	(9,273,423)
	6,855,931	(7,434,432)
Cash generated from operations		
Interest paid	(27,754)	(858,411)
Interest received	94,925	98,873
Direct taxes paid	-	-
	6,923,102	(8,193,969)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(1,826,917)	(74,552)
Deferred Revenue Expenditure	-	-
	5,096,185	(8,268,521)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from secured loans	-	(33,868)
Proceeds from Unsecured loans	-	11,500,000
	5,096,185	3,197,611
Net Increase /(decrease) in cash & cash equivalents	5,096,185	3,197,610
Cash & Cash equivalents (opening balance)	8,652,253	5,454,637
Cash & Cash equivalents (closing balance)	13,748,439	8,652,252

As per our report of even date annexed
for Rajiv Pethkar & Associates
Chartered Accountants
(Reg. No. 112738W)

For and behalf of the Board

Rajiv Pethkar
Proprietor
(M.N. 046027)
Mumbai : August 16,2011

Rajendra Aggarwal
Managing
Director

N K Pokharna
Wholetime
Director

HINDUSTAN BREWERIES & BOTTLING LIMITED

HINDUSTAN BREWERIES & BOTTLING LIMITED

Regd. Office: G-8, House No:129, Rohini, Sector-16, Near Metro Ratala, Nursery Park, New Delhi-110089.

FORM OF PROXY

I/We
.....
..... of in the
district of being a member / members of the above named company hereby appoint
..... of
..... in the District of or failing
him of in
the District of as my / our proxy to vote for me/us on my/our behalf, at the 40th
Annual General Meeting of the Company to be held on ___ day, ___ th day of _____, 2011 at _____ p.m. and
at any adjournment thereof.

Signed this Day of 2011

Signature

L.F. No.

No. of Share (s) held

Affix One
Rupee
Revenue
Stamp

Notes:

- (1) A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself.
- (2) A proxy need not be a member.
- (3) The form duly completed must be deposited at the Registered Office of the Company at G-8, House No:129, Rohini, Sector-16, Near Metro Ratala, Nursery Park, New Delhi-110089 atleast 48 hours before the meeting.

HINDUSTAN BREWERIES & BOTTLING LIMITED

Regd. Office: G-8, House No:129, Rohini, Sector-16, Near Metro Ratala, Nursery Park, New Delhi-110089

ATTENDANCE SLIP

I hereby record my presence at the 40th Annual General Meeting to be held at LAJWAAB House, G-78, Preet Vihar, Vikas Marg, Delhi - 110 092 on _____ day ___ th day of _____, 2011 at _____ p.m.

Ledger Folio No.

Full Name of the Shareholder
(In Block Letters)

No of Equity Shares held:

Signature of the Shareholder of Proxy attending

Member's / Proxy's Signature

If Undelivered, please return to :

Hindustan Breweries & Bottling Limited

C -23/24, Wagle Industrial Estate

Thane - 400 604. (Maharashtra)