



Unlocking the treasure chest



ANNUAL REPORT 2005 - 2006



Shaw Wallace & Company Limited

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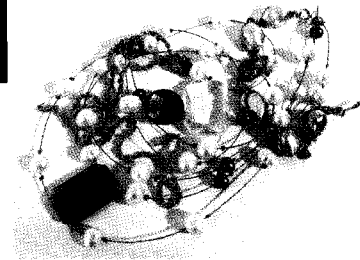


Some of the best-known brands in the country have been glittering successes in terms of value, growth and international recognition. Under the UB Group's master craftsmanship, these brands promise to do well in the future as well.

The Shaw Wallace motto has been to live and breathe innovation into its products to cater to the emerging needs of its consumers.

The company has risen consistently to the challenges of establishing a niche that captures the ever-changing taste of consumers the world over. Today, Shaw Wallace has a host of liquor brands that have become synonymous with impeccable quality standards across the globe.

*The Jewels
in the Crown*



New Gems Launched

Antiquity Blue

Antiquity is the true blue of whiskies in India and the undisputed leader in the super-premium whisky segment with 90 per cent market share.

This new variant is pegged as the “Best Indian Whisky”.

Royal Mist

Royal Mist is a uniquely crafted blend of finest scotches, rare Indian malts and 100% premium grain. Royal Mist Whisky has been created keeping in mind the aspirations and expectations of the young upwardly mobile consumers. The growing need of the new age consumer is a whisky, which is premium in taste and yet affordable.



White Sparkles

White Mischief

Launched in 1996, White Mischief Vodka is the largest selling vodka in India. With a growth rate of over 40 per cent, White Mischief Vodka has overtaken other vodkas in the market within a short span of time.

White Mischief Paradise Gin

White Mischief Paradise Gin has the distinct taste of ripe juniper berries made crisp with the juice of angelica root. And as you let the gin roll around your tongue, you feel the bitter taste of orange peel and the spicy extract of cinnamon bark mingle perfectly to tickle the senses.



Ever-popular Classics

Director's Special Whisky

Director's Special is the company's flagship brand and India's second largest selling whisky with more than 3.5 million cases sold every year. It is the world's fastest growing liquor brand. It is also the most popular whisky in the UAE.

Golconda Brandy

A distinctive Indian brandy. Its unique flavour comes from the famous Anab-e-Shahi grapes used in its manufacture.

DSP Black

DSP Black is a unique offering born of quality malts produced from the choicest barley for unmatched smoothness.



John Exshaw Brandy

John Exshaw No. 1 Brandy is a Prestige brandy that occupies the leadership position in India. It is a millionaire brand having sold 1.18 million cases in 2005.

V.S.O.P. Brandy

V.S.O.P. Exshaw Premium Brandy has an endearing aroma of french-wood, true to the best brandies in the world including cognac.

Royal Challenge

Royal Challenge whisky is the undisputed market leader in the premium whisky segment. This unique blend recently won the coveted **ITQI SUPERIOR TASTE AWARD - 2006.**

Golconda Ruby Wine

Golconda Ruby Wine is one of the oldest and largest selling Ruby wines in the Indian Market with a market share of more than 25 per cent.



Chairman's Statement

Dear Shareholders,

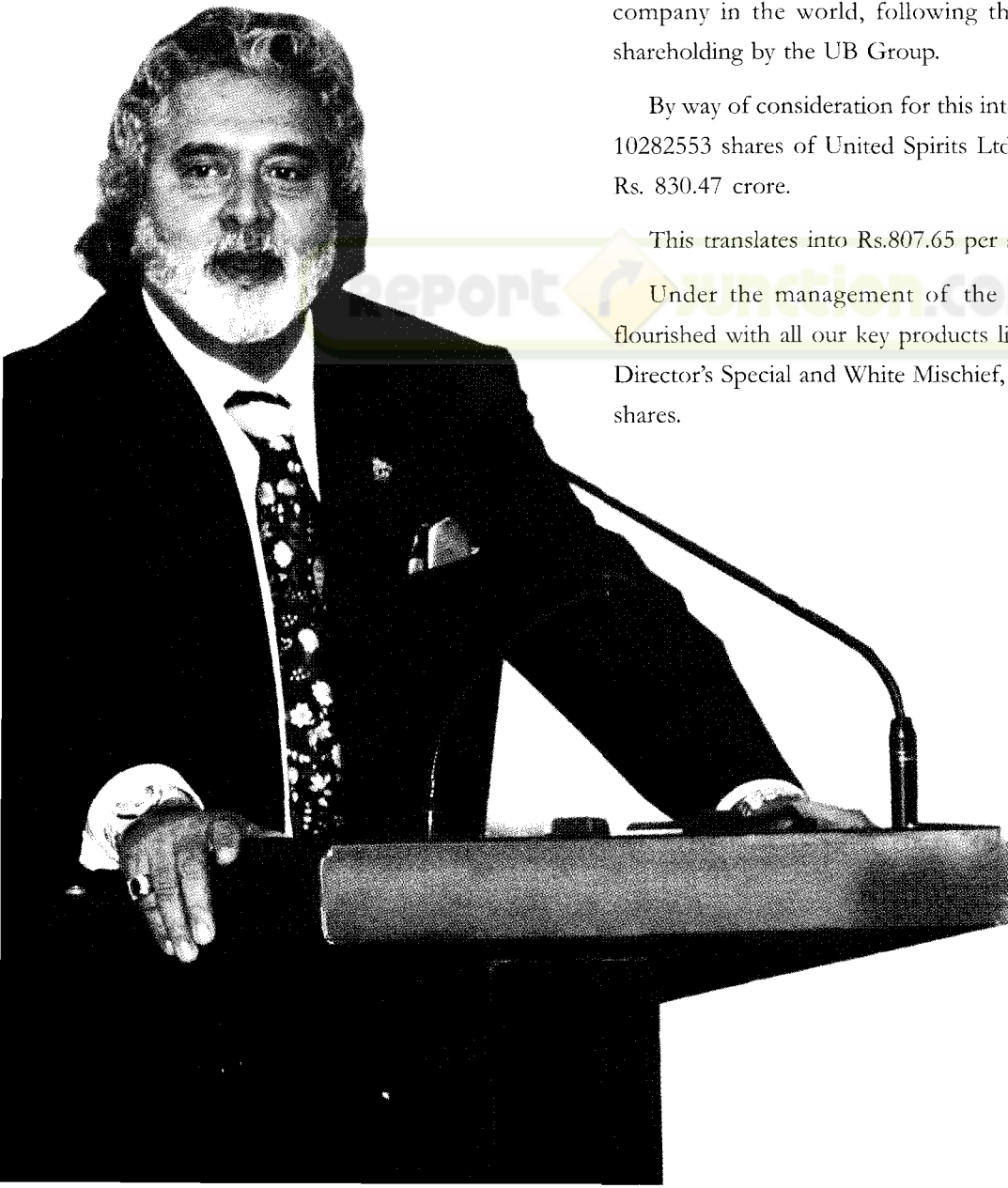
We can all look back with satisfaction at the year that is behind, and look forward with enthusiasm to the years ahead.

It has been an eventful year, which saw the business getting integrated into that of United Spirits Ltd, the third largest spirits company in the world, following the acquisition of 75 per cent shareholding by the UB Group.

By way of consideration for this integration, we have been allotted 10282553 shares of United Spirits Ltd, at a current market value of Rs. 830.47 crore.

This translates into Rs.807.65 per share.

Under the management of the UB group, our brands have flourished with all our key products like Antiquity, Royal Challenge, Director's Special and White Mischief, all recording improved market shares.



The brands have benefited from being part of the larger stable of United Spirits and its substantial clout with the distribution network. The elimination of competition inter se has also resulted in improved profitability.

Attention to quality has resulted in a number of awards and recognitions being showered on us:

- ▶ Monde Selection Institute, Brussels.
- ▶ International Taste & Quality Institute, Brussels.
- ▶ Readers' Digest Trusted Brands Awards.
- ▶ India Star Award for packaging innovation & Excellence.

As you are aware, our company has been tied up with litigation on various fronts. The year has seen resolution of a large number of cases both civil and tax related. Management's emphasis is to reduce preoccupation with infructuous and time consuming litigation, and focus resources on developing market share and profits.

Friends, all the foregoing have helped the board to declare an Interim Dividend of 10% in

February 2006, after a lapse of several years. I am confident that the continued excellent performance will enable our company to regularly payout dividends in future. Of course, the enhanced market value of our shares also adds to the Total Shareholder Return profile.

I have stated previously, my intent to seek complete integration of Shaw Wallace with United Spirits through a merger. With the steady resolution of litigation, I hope to be able to recommend this step in the near term. That will further enhance value to all shareholders.

I must conclude by thanking all who made this success possible—our experienced Board of Directors, our dedicated team of management and staff, our suppliers, customers, financial partners etc. Above all, my special thanks to each of you, dear shareholders.



Dr. Vijay Mallya
Chairman



Board of Directors



Dr. Vijay Mallya
Chairman



S.R. Gupte



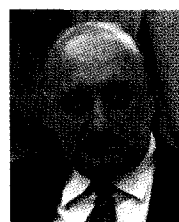
S.D. Lalla
Managing Director



Ravi Nedungadi



C.L. Jain



S.G. Ruparel

