

BOARD OF DIRECTORS

SH. R. K. BAGRODIA
LT. GEN. V. K. SOOD (RETD.)
SMT. SNEH BAGRODIA
SH. SUSHIL KUMAN JAIN
SH. PRADEEP CHATURVEDI

CHAIRMAN-CUM-MANAGING DIRECTOR
DIRECTOR
DIRECTOR
DIRECTOR
DIRECTOR

COMPANY SECRETARY

DEEPIKA DHIMAN

STATUTORY AUDITORS

O. P. BAGLA & CO.
CHARTERED ACCOUNTANTS
NEW DELHI

REGISTERED OFFICE

VILL. SAREHKHURD, TEHSIL TIJARA
DISTT. ALWAR, RAJASTHAN

CORPORATE OFFICE

S- 521, GREATER KAILASH, PART- II
NEW DELHI- 110 048

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NOTICE

NOTICE is hereby given that the Seventieth Annual General Meeting of the members of the company M/s Winsome Breweries Limited will be held on Wednesday, the 30th day of September, 2009 at 11.00 a.m. at its Registered Office of company at Village Sarekhurd, Tehsil Tijara, Distt: Alwar, Rajasthan to transact the following business:

DINARY BUSINESS

To receive, consider and adopt the Balance Sheet as at 31st March 2009 and the Profit & Loss Account for the year ended on that date and report of the Directors and Auditors thereon.

To appoint a Director in place of Mr. Sushil Kumar Jain who retires by rotation and being eligible offers himself for re-appointment.

To appoint Statutory Auditors & fix their remuneration. The retiring Auditors M/s O. P. Bagla & Co., Chartered Accountants, are eligible for re-appointment.

By Authority of the Board
For Winsome Breweries Limited

Place: New Delhi
Date: 01, SEPTEMBER 2009

(R. K. BAGRODIA)
(Chairman-Cum-Managing Director)

NOTES:

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. THE PROXY FORM IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED WITH THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FIXED FOR COMMENCEMENT OF THE MEETING.

The Register of Members and Share transfer Books of the Company shall remain closed from 15th September 2009 to 30th September 2009 (both days inclusive).

Members are required,

To notify change of address, if any
To bring their copy of Annual Report to the meeting.

Members desirous of having any information on Accounts are requested to address their queries to the Company Secretary latest by 20th September 2009 so that the requisite information is available at the meeting.

**DIRECTOR'S REPORT**

TO THE MEMBERS,

Your Directors are pleased to present their Seventieth Annual Report together with the Audited Financial Statement of your Company for the year ended on 31st March 2009.

FINANCIAL RESULTS :

	<u>2008- 2009</u>	<u>(Amount in Rs 2007-2008)</u>
Sales	15,26,90,839.90	31,62,81,734.00
Profit/(loss) before	2,06,44,779.61	1,68,06,388.70
Depreciation		
Less		
Depreciation	2,08,09,180.02	1,76,02,618.40
Net Profit/ (Loss) for the year	<u>(1,64,440.41)</u>	<u>(7,96,229.69)</u>
Adjustments		
1. Prior Period Expenses	7350.00	0.00
2. Provision for Bad debts written off	<u>71,31,577.95</u>	<u>71,54,426.00</u>
Profit/(Loss) available for appropriation	69,59,827.54	63,58,196.31
Provision for Tax		
- Current Tax	0.00	0.00
- Fringe Benefit Tax	1,78,983.00	1,69,907.00
- Fringe Benefit Tax adjustment	13,429.00	402.00
- Deferred Tax	<u>(58,56,585.64)</u>	<u>(16,73,192.52)</u>
Net Profit/(Loss) after Tax	<u>9,10,829.10</u>	<u>45,14,694.79</u>

DIVIDEND :

In view of the above financial results, your Directors express their inability to recommend any dividend for the year under review.

OPERATIONS :

During the fiscal under review, turnover of the Company decreased from Rs. 3162.82 lacs to Rs. 1526.91 Lac reduced losses from Rs. 7.96 Lac to 1.64 Lac. However the company is striving hard to increase the utilisation of capacity as well as profitability this year.

FUTURE PROSPECTS:

The company is continuing its arrangement with United Breweries Limited and has continuously increased its capacity utilisation. In order to have maximum capacity utilisation, your company is also discussing the possibilities of tie up with several other foreign companies, as they consider our plant as one of the best in India. Your directors strongly feel that the company's financial position and profitability will definitely increase due to all these arrangements.

AUDITOR'S REPORT AND RE-APPOINTMENT :

With reference to the observations made by the Auditors in their report, the Directors wish to state that the observations have been dealt with by making relevant notes in the Accounts and do not require any further clarification/comment. Your Company's auditors M/s O.P. Bagla & Co. retire at the conclusion of ensuing Annual General Meeting and are eligible to offer themselves for the re-appointment. You are requested to appoint the Auditors and fix their remuneration.



DIRECTORS :

In accordance with the Companies Act, 1956 and Articles of Association of the Company; Mr. Sushil Kumar Jain, Director of the Company will retire by rotation and being eligible offers himself for the re-appointment.

DIRECTORS RESPONSIBILITY STATEMENT:

As required under section 217 (2AA) of the Companies Act, 1956, your Directors state that:

In the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to materials departures in the financial statement:

The accounting policies have been selected and applied consistently and judgements and estimates have been reasonably & prudently made when required so as to give a true & fair view of the state of affairs of the Company at the end of the financial year and of the profit & loss of the Company for the period.

Proper and sufficient care has been taken for the maintenance of adequate accounting records accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

The annual accounts for the financial year have been prepared on an on- going concern basis.

PUBLIC DEPOSITS

Your Company has not accepted any public deposits under the provision of Section 58A of the Companies Act, 1956 and the Rules made thereunder.

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

Information pursuant to Section 217 (l) (c) of the Companies Act, 1956 read with the Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988 is given in the Annexure, forming part of this report.

PARTICULARS OF EMPLOYEES:

During the year under review, no employee whether employed for the whole of the year or part of the year was drawing remuneration exceeding the limit as laid down U/s 217 (2A) of the Companies Act, 1956. Therefore, the information as required U/s. 217 (2A) of the Companies Act, 1956 read with the Companies (particulars of Employees) Rules, 1975, is not required to be given.

KNOWLEDGEMENTS:

Your directors place on record their deep appreciation for the dedication and efforts of the executives, staff and workers of the company at all levels. Your Directors are specially thankful to the esteemed shareholders for their continued trust and confidence which, they have reposed in the Company.

For and on behalf of the Board.

(R.K. Bagrodia)
(Chairman-Cum-Managing Director)

Place: New Delhi
Date: 01 SEPTEMBER 2009

**Annexure to the Directors' Report****A) Conservation of energy:**

As the Company's product does not fall under the schedule under the Companies (Disclosure of Particulars of Board of Directors) Rules, 1988, no particulars with regard to conservation of Energy has been given.

B) Research and Development:

The Company has established a technologically advanced laboratory within the factory premises equipped with the latest indigenous and imported equipments & instruments.

1. Specific areas in which R&D was carried out by the Company.

- i) To improve malt extraction process.
- ii) To ensure better recovery & reduce effluents & waste.
- iii) To modify & improve process technology to achieve stringent international quality parameters and reduce cost of production.
- iv) To develop new exotic brands of Beer with new tastes & flavours.
- v) To develop yeast recovery system.

2. Benefits derived as a result of above R&D.

The company's products are carrying premium in the market because we have achieved stringent international quality standards on a sustainable basis on account of our R & D efforts.

3. CAPITAL EXPENDITURE :

	year ended 31.03.2009 (in Rs.)	year ended 31.03.2008 (in Rs.)
a) Capital expenditure	Nil	Nil
b) Recurring	Nil	Nil
c) Total R&D expenditure as a percentage of total turnover.	Nil	Nil

C) TECHNOLOGY ABSORPTION:

The company has fully absorbed the brewing technology & recipe provided by our erstwhile Collaborator HENNINGER BRAU of Germany. To match its sophistication, the company has employed technically qualified engineers, chemists and microbiologists.

D) FOREIGN EXCHANGE EARNING AND OUTGO :

	year ended 31.03.2009 (in Rs.)	Year ended 31.03.2008 (in Rs.)
a) Foreign Exchange Earning	—	—
b) Foreign Exchange outgo		
i) Capital goods	—	—
ii) Raw materials	—	—
iii) Packing materials & stores	—	—
iv) Travelling expenses	489245.00	0.00
(v) Education Expenses	0.00	168790.00
(vi) London Business School	1775853.00	0.00

E) INFORMATION ON POLLUTION CONTROL MEASURES FORMING PART OF THE DIRECTORS' REPORT:

Your company on an ongoing basis is monitoring & maintaining environment and pollution control parameters at plant site. The company is maintaining proper effluent treatment plant and has planted trees to keep the environment free from pollution. The company is regularly monitoring & submitting reports to the Rajasthan Pollution Control Board for the Air and Effluent Treatment parameters.

For and on behalf of the Board

Place: New Delhi
Date: 01 SEPTEMBER 2009

(R. K. Bagrodia)
Chairman-Cum-Managing Director



CORPORATE GOVERNANCE

The company's compliance of Corporate Governance for the financial year April 1, 2008 to March 31, 2009 as per clause 49 of the Listing Agreement is as follows:

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

WINSOME BREWERIES LTD has an unwavering commitment to uphold sound corporate governance standards and highest business conduct. The company has always worked together building trust with shareholders, employees, customers, suppliers and other stakeholders based on the principles of corporate governance- integrity, equity, transparency, fairness, disclosure, accountability and commitment to values.

The company has developed the practices to fulfill its corporate responsibilities to various stakeholders and believes in following good governance. The good governance process consists of commitment in doing business in an efficient, honest, responsible and ethical manner.

The company is committed to best Corporate Governance and has fully complied with the requirements of clause 49 of the Listing Agreement with the Stock Exchange. The company firmly believes that good corporate governance is founded upon the principles of transparency, independent monitoring and accountability for performance and environmental consciousness including growth-oriented approach.

BOARD OF DIRECTORS

The composition of the Board of Directors is in conformity with the clause 49 of the Listing Agreement.

None of the Directors on the Board is a member on more than 10 Committees and Chairman of more than 5 Committees (as specified in clause 49) across all the companies in which he is a Director. The necessary disclosures regarding Committee positions have been made by the Directors.

Composition of the Board of Directors and other details as on 31st March 2009 is as under:

Name of Director	Executive/ Independent/ Non Executive	No. of Board Meetings Attended	Attendance at Previous AGM as on 30.09.2008	*No. of outside Director- ships in Public companies	*No. of outside Director-ships in Private Companies	**No. of Chair- manship in other Board Committe	**No. of Member-ship in other Board Committe
R. K. Bagrodia	Executive	7	Present	3	4	—	—
Mrs. Sneha Bagrodia	Non-Executive	7	Present	3	—	—	—
Sushil Kumar Jain	Independent Director	5	Present	—	17	3	—
Pradeep Chaturvedi	Independent Director	5	Present	Nil	—	—	3
Lt. Gen. V.K. Sood (Retd.)	Independent Director	4	Absent	Nil	—	—	3

* Directorship in foreign companies and associations are excluded.

** Represents Membership/ Chairmanship of Audit Committee, Shareholders/ Investors' Grievances Committee and Remuneration Committee.

There are no Nominee Directors or Institutional Directors on the Board.

Board Meetings held during the year: 30th April 2008, 30th July 2008, 01st September, 2008, 25th October, 2008, 22nd December, 2008, 31st January, 2009 and 25th February, 2009.

AUDIT COMMITTEE

The Company has an Audit Committee comprising of 3 members all of whom are independent Directors. The Chairman of the Committee is Mr. Sushil Kumar Jain with Lt. Gen. V.K. Sood (Retd.) and Mr. Pradeep Chaturvedi as its members.

Brief Description of the terms of reference:

All the members of the Audit Committee have good sound knowledge of finance and accounts. The role and terms of reference of the Audit Committee covers area as mentioned under clause 49 of the Listing Agreement and section 292A of the Companies Act, 1956 including their role, powers and duties, quorum for meeting and frequency of meetings.

The Board delegates the following powers to the Audit Committee:

1. To oversee financial reporting processes.
2. To monitor the financial reporting system within the company.
3. To review the quarterly, half-yearly and annual financial results and submitting the observations to the Board of Directors.
4. To discuss with the external auditors about the scope of the audit.
5. To seek information from any employee and to take outside legal or other professional advice.
6. To review the annual budget, annual audit plan, legal compliance reporting system, implementation of policies in



accounting and financial requirements.

- To advise the management where great attention is required with respect to audit.

The Audit Committee:-

- To check the Company's financial reporting system and the disclosure of its financial information to ensure that the financial statement is true and correct.
- To recommend to the Board the appointment, re-appointment, if required, of statutory auditor and fixation of audit fees and other remuneration.
- To Review the quarterly compliance certificates received on compliance with company's laid down policies and practices, accounting standards, all fiscal, commercial and statutory laws, as applicable.
- To review with the management the financial results for each quarter/ period before being placed to the Board of Directors for approval.
- To review with the management the annual financial statement before submission to the Board for approval.
- Responsible for effective supervision of the financial reporting process, ensuring financial, accounting and operating controls and ensuring compliance with established policies and procedures.
- To discuss with the external auditor before the audit commences, the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- To determine adequacy of internal controls and ensures its effectiveness.
- To provide an open means of communication between the internal audit team, the statutory auditors and the Board of Directors.
- To carry out such other function as may be specifically referred to the Committee by the Board of Directors and/or other Committees of the Directors of the company.

Four meetings of the Audit Committee were held during the year. Attendance at meetings during the year:

Director	No. of meetings attended
Sushil Kumar Jain	4
Pradeep Chaturvedi	4
Lt. Gen. V.K. Sood (Retd.)	3

SHARE TRANSFER AND INVESTOR GRIEVANCE COMMITTEE

The Share Transfer and Investor Grievance Committee comprises of 3 members, of which all are independent Directors. The Chairman of the Committee is Mr. Sushil Kumar Jain with Mr. Pradeep Chaturvedi & Lt. Gen. V. K. Sood (Retd.) as its members.

Brief Description of the terms of reference:

The functioning and terms of reference of the Committee are as prescribed under and in due compliance with the Listing Agreement with the Stock Exchanges with particular reference to matters relating to registration of share transfer, transmission, issue of duplicate share certificates, forfeiture, approving the split and consolidation requests etc.

The committee, inter alia, oversees and reviews all matters related to shares. The Company also redresses the shareholders and investors complaints like transfer, dematerialisation, non receipt of balance sheet, change of addresses of the shareholders etc.

The committee oversees the performance of the Registrar and Transfer agent.

Four meetings of the investor Grievance Committee were held during the year. Attendance at meetings during the year:

Director	No. of meetings attended
Sushil Kumar Jain	4
Pradeep Chaturvedi	3
Lt. Gen. V. K. Sood (Retd.)	4

The total number of complaints received and replied to the satisfaction of the shareholders during the year under review were 5 and from SEBI were 7 and the NSDL were 1. The company attends to the investors, stock exchange and SEBI, NSDL correspondence expeditiously and usually a reply is sent within 15 days of receipt except in cases that are constrained by disputes or legal impediments.

REMUNERATION COMMITTEE

The Remuneration Committee comprises of 3 members. The Chairman of the Committee is Mr. Sushil Kumar Jain, Independent Director and the other members are Mr. Pradeep Chaturvedi and Lt. Gen. V.K. Sood (Retd.).

Brief description of the terms of reference:

The remuneration committee has been constituted for the recommendation for fixation and periodic revision of the remuneration of Managing Director and Executive Directors of the company based on the performance and defined assessment criterion.



The role and terms of reference of the Committee are as prescribed under the Listing Agreement with the Stock Exchanges. The remuneration policy is directed towards rewarding performances, based on review of achievements on a periodical basis. It also reviews all other aspects of benefits and compensation to employees throughout the Company including policies on the same. Two meetings of the Remuneration Committee were held during the year. Attendance at meetings during the year:

Director	No. of meetings attended
Lt. Gen. V.K. Sood (Retd.)	2
Sushil Kumar Jain	2
Pradeep Chaturvedi	2

REMUNERATION PAID TO DIRECTOR IN THE YEAR 2008-09

The salary paid to the Managing Director of the company Mr. R. K. Bagrodia amounts to: Rs. 6,00,000.00
 Salary Rs. 6,00,000.00
 Gratuity Rs. 28,846.00
 The salary paid to the Director of the company Mrs. Sneh Bagrodia amounts to: 300,000.00
 Sitting fees paid to Non- Executive Directors:

Sl. No.	Name of the Director	Sitting fees (Rs.)	Commission (Rs.)	Total (Rs.)
1.	Lt. Gen. V. K. Sood (Retd.)	4,000/-	—	4,000/-
2	Sneh Bagrodia	4,000/-	—	4,000/-
3	Sushil Kumar Jain	3,000/-	—	3,000/-
4	Pradeep Chaturvedi	3,000/-	—	3,000/-

ANNUAL GENERAL MEETINGS

Location and time for the last three AGM's:

Year	Date	Venue	Time
2005-2006	30.09.2006	Village Sarekhurd, Tehsil Tijara, Distt. Alwar, Rajasthan.	11.00 A.M.
2006-2007	29.09.2007	Same	11.00A.M.
2007-2008	30.09.2008	Same	11.00A.M.

No postal ballot resolutions were passed.

EXTRA ORDINARY GENERAL MEETINGS

One Extra Ordinary General Meeting of the shareholders of the company was held on 21st January, 2009 during the financial year of the company.

DISCLOSURE

During the year 2008-09, the company has related party transactions as-is envisaged under the Corporate Governance code which have been mentioned in Note 17 under schedule 20 to the Accounts. There were no transactions of material nature with the directors or the management or their relative etc. during the year that had potential conflict with the interests of the company at large. There was no non-compliance during the last three years by the company on any matter related to capital markets. There was no penalties imposed or strictures passed on the company by the Stock Exchanges, SEBI or any other statutory authority.

MEANS OF COMMUNICATIONS

Quarterly Results.

The quarterly, half-yearly and yearly financial results are sent to the Stock Exchange immediately after the Board approves the same. Wide publicity is accorded to publication of quarterly results which are published in a widely circulated English daily "The Pioneer" and a Hindi daily "Adhikar" as is required under the Listing Agreement with the Stock Exchanges. The same are also faxed to the Stock Exchanges where the company is listed.

**GENERAL SHAREHOLDER INFORMATION**

Annual General Meeting :-Date time & venue

The Seventieth Annual General Meeting is scheduled to be held on Wednesday the 30th day of Sept. 2009 at 11.00 A.M. at the registered office of the company at Village Sarekhurd, Tehsil Tijara, Distt. Alwar, Rajasthan as per notice enclosed with the Annual Report.

Date of book closure

The books will be closed for the purposes of the Annual General Meeting from 15th Sept. 2009 (Tuesday) to 30th Sept. 2009 (Wednesday), both days inclusive.

Listing on stock Exchanges

Bombay Stock Exchange Limited, Stock Exchange Building, Dalal Street, Mumbai
Jaipur Stock Exchange, Stock Exchange Building, J.L.N. Marg, Malviya Nagar, Jaipur.

Depositories**1. National Securities Depositories Limited**

Trade World, 4th Floor, Kamala Mill Compound, Lower Parel, Mumbai-13.

2. Central Depositories Services Limited

P. J. Towers, 28th Floor, Dalal Street, Mumbai-26

Registrar & Transfer Agent

The company has appointed RCMC Share Registry Pvt. Ltd., B-106, Sector-2, NOIDA as its Registrar and Share Transfer Agent for handling both physical and demat operations.

Distribution of shareholding as on 31st March, 2009

No. of shares	No. of shareholders	% of total shareholders	No. of shares	% of total shares
01 to 5000	10,974	78.51	40,14,893	14.51
5001 to 10000	2,295	16.42	18,99,647	6.87
10001 to 20000	456	3.26	7,06,988	2.56
20001 to 30000	92	0.66	2,35,665	0.85
30001 to 40000	42	0.30	1,49,708	0.54
40001 to 50000	31	0.22	1,40,983	0.51
50001 to 1,00,000	29	0.21	2,07,354	0.75
1,00,001 and above	59	0.42	2,03,13,662	73.41
Total	13,978	100.00	2,76,68,900	100.00

Particulars	No. of shares held	% of shares held
Promoters Holding	1,25,94,800	45.52
Mutual Funds & UTI	56,000	0.20
Banks, Financial Institution & Insurance Companies	0	0.00
FIs	0	0.00
Private Corporate bodies	67,31,424	24.33
Indian Public	77,24,229	27.92
NRIs/OCBs	5,36,243	1.94
Any Other	26,204	0.09
Total	2,76,68,900	100.00

Dematerialisation of shares and liquidity

The trading of the Company's equity shares falls under the category of compulsory delivery in demat mode under code INE 391C01011 in respect of all categories of investors. The shares can be held in the dematerialised form the Depository Participants which are either National Security Depository Limited or Central Depository Services Limited. 30.34% of the total shares have been dematerialised upto 31st March, 2009.



Outstanding GDRs/ ADRs/ Warrants or any convertible instruments, conversion dates and likely impact on equity

We have no GDRs/ ADRs/ Warrants or any convertible instruments.

Plant Location:

Village Sarekhurd, Tehsil Tijara, Distt. Alwar, Rajasthan.

Address for Correspondence:

Regd. Office : Village Sarekhurd, Tehsil Tijara, Distt. Alwar, Rajasthan
Corporate Office : S-521, Greater Kailash -II, New Delhi -110 048.

For & on behalf of the Board

Place: New Delhi

Dated: 27th August, 2009

R. K. Bagrodia

Chairman

AUDITORS' CERTIFICATE

To the Members of
Winsome Breweries Ltd.

We have examined the compliance of conditions of corporate governance by WINSOME BREWERIES LTD, for the 12 month period ended on 31st March, 2009 as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchange(s).

The compliance of conditions of corporate governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no investor grievance(s) is pending for a period exceeding one month against the Company as per the records maintained by the Shareholders/Investors Grievance Committee.

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.

For O. P. BAGLA & COMPANY
Chartered Accountant

MUKUL BAGLA
Partner

Place: New Delhi
Date: 27 AUGUST 2009

**AUDITORS' REPORT****TO THE MEMBERS OF WINSOME BREWERIES LIMITED**

We have audited the attached Balance Sheet of Winsome Breweries Limited as at 31st March, 2009 and both the Profit & Loss Account and the Cash Flow Statement of the company 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.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures 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 financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

- 1) As required by the Companies (Auditors' Report) Order, 2003, as amended by the Companies (Auditors' Report) (Amendment) Order, 2004 issued by the Central Government in the terms of Section 227 (4A) of the Companies Act, 1956 (The Act) and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us during the course of the audit, we enclose in the Annexure, a statement on the matters specified in Clause 4 and 5 of the said order.
- 2) Further to our comments in the Annexure referred to in paragraph 1 above, we report that :-
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of audit.
 - b) In our opinion, proper book of accounts as required by the law, have been kept by the Company so far as appears from our examination of those books **subject to Note No. 3 & 5 of schedule 20 regarding accounting of certain items on cash basis.**
 - c) The Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of accounts of the Company.
 - d) In our opinion, the Balance Sheet, Profit and Loss Account, and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 **except AS-1 regarding accounting of certain items on cash basis as stated in Note No. 3 & 5.**
 - e) On the basis of the written representations received from the directors, and according to the information and explanations given to us, we report that none of the directors of the Company is disqualified as on 31.3.2009 from being appointed as a director in term of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
 - f) **Attention is invited to the following notes of schedule 20:**
 - (I) i) **Non-Provisioning against finished goods lying in the possession of an ex-C&F Agent and demand raised as stated in Note No. 7 (amount unascertainable).**
 - ii) **Balances of certain sundry debtors, sundry creditors, capital advance, (shown under capital work in progress) loans and advances, unsecured loans and certain bank balances, which are subject to confirmation and reconciliation and impact whereof on the profit for the year and balance in profit & loss account is not ascertainable (Note No. 3, 6 & 9).**
 - iii) **Note No. 10 regarding contingent liability taken on management estimation basis and our inability to comment on correctness and completeness of the same.**
 - iv) **Note No. 19 regarding deferred tax assets recognized by the company based on the management perception as stated in the said Note about realizability and our inability to comment thereon.**
- (II) i) **Non-Provisioning for royalty and R&D Cess payable thereon amounting to Rs. NIL (till date Rs. 14,17,709.13) as stated in Note No. 5.**
- ii) **Non-Provisioning of depreciation on certain fixed assets amounting to Rs. 3,56,73,039.70 for the earlier years (Note No. 2).**
- iii) **Non-Provisioning for interest payable on foreign currency loan amounting to Rs. 1,81,31,810.62 (excluding exchange fluctuation amount unascertained) (Note No. 3), as stated in the said note.**



g) We further report that the balance in Profit and Loss Account are without considering items mentioned in 2(f) (I)(i) to (iv) above the effect of which could not be determined. Had the effect of items mentioned in 2(f) (II)(i) to (iii) above been given to in these accounts, balance in Profit and Loss Account would have been Rs. 6,34,03,306.75 (as against the reported figure of Rs. 81,80,747.30), Total Fixed Assets would have been Rs. 7,50,07,511.45 (as against the reported figure of Rs. 11,06,80,551.15), Current Liabilities would have been Rs. 9,01,58,999.78 (as against the reported figure of Rs. 8,87,41,290.65) and unsecured loan would have been Rs. 7,37,84,782.78 (as against the reported figure of Rs. 5,56,52,972.16).

h) **Subject to the foregoing**, in our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet, Profit and Loss Account and the Cash Flow Statement read together with Notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view :-

- i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2009; and
- ii) in the case of the Profit and Loss Account, **of the loss** for the year ended on that date.
- iii) in the case of the Cash Flow Statement, of the cash flow for the year ended on that date.

For **O.P.BAGLA & CO.**
Chartered Accountants

Place: New Delhi.

(MUKUL BAGLA)

Date: 27 AUGUST 2009

PARTNER
M. N. 94156

Annexure to the Auditors' Report

(Referred to in paragraph 1 of our Report of even date: Winsome Breweries Ltd. for the year ended 31st March, 2009)

- i) (a) The Company has maintained records showing full particulars including quantitative details and situation of fixed assets, however the same needs to be Completed/Updated.
- (b) As explained to us, the fixed assets are being physically verified by the management (as per the programme in a phased periodical manner), which in our opinion is reasonable, having regard to the size of the company and nature of its fixed assets.
- (c) As per the records and the information and explanations given to us, no fixed assets have been disposed off during the year.
- ii) (a) As explained to us, inventories (except stock lying with third parties) have been physically verified by the management at regular intervals during the year.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) The company is maintaining proper records of inventories and no material discrepancies were noticed on physical verification.
- iii) (a) The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Further clause 4(iii) b,c, and d are not applicable
- (e) The company has not taken unsecured loan from a company covered in the register maintained under section 301 of the Companies Act, 1956. Further, Clause 4(iii) (f) & (g) of the order are not applicable.
- iv) In our opinion and according to the information and explanations given to us, the internal control system is commensurate with the size of the company and nature of its business for the purchase of inventory, fixed assets and for the sale of goods. We have not observed any continuing failure to correct major weaknesses in internal control.



- v) (a) According to the information and explanations given by the management and based on our audit procedures performed, the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) Such transactions have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- vi) The company has not accepted any deposit from the public, within the meaning of the directives issued by Reserve Bank of India and the provisions of sections 58A and 58AA and any other relevant provisions of the Act and the rules framed thereunder
- vii) In our opinion, the company has internal audit system commensurate with the size and nature of its business.
- viii) The Central Government has not prescribed maintenance of cost records under section 209(1) (d) of the Companies Act, 1956 in respect of products of the company.
- ix) (a) According to the records of the company, the company is generally regular in depositing (except delay of some days) undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Wealth Tax, Income Tax, Service Tax, Sales Tax, Custom duty, Excise duty, Cess and other material statutory dues with the appropriate authorities and there are no undisputed statutory dues payable for a period of more than six months from the date they became payable as at 31st March 2009 except dues of Sales Tax as stated below:

Name of the statute	Nature of the dues	Amount (Rs.)	Period to which the amount relates	Due Date	Date of Payment
Sales Tax Act	Sales Tax	484543.77	1998-99	15 th April 1999	Not paid
		267036.39	1999-00	15 th July 1999	till date

Further, this is to be read together with our comments in para 2f) (II) (i) of our audit report. As informed to us, Employees' State Insurance is not applicable to the Company.

(b) According to the records of the company and the information and explanations given to us, there are no dues in respect of income tax, customs duty, wealth tax, cess matters that have not been deposited with the appropriate authorities on account of any dispute and the dues in respect of sales tax and excise duty that have not been deposited on account of dispute are as stated below:

Name of the statute	Nature of the dues	Amount (Rs.)	Period to which the amount relates	Forum Where pending
Sales Tax Act Rajasthan	Sales tax	961666	1996-97	Dy. Commissioner (Appeals)
Rajasthan State Excise Act	Excise duty	31147.75	1997-98	High Court
Hajasthan State Excise Act	Excise duty	3049576	1995-96	Revenue Board

x) After considering the quantified qualifications as stated in para 2 f) (II) (i) to (iv) in our Audit Report, accumulated losses as at 31st March, 2009 of the Company are not more than 50% of its net worth. It has not incurred cash losses in current financial year and it has not incurred cash losses in the immediately preceding financial year. However, this is to be read together with comments in Audit Report in para 2 f) (I) (i) to (v) above in respect of unquantified qualifications, effect of which could not be ascertained.



- (i) According to the information and explanations given to us, there is no default in repayment of dues of Financial Institutions and Banks (except disputed amount of a bank amounting to Rs. 68,23,873.00).
- (ii) In our opinion and according to the information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (iii) The Company is not a chit fund or a nidhi/ mutual benefit fund/ society, therefore the provisions of Clause 4(xiii) of the Order are not applicable to the company
- (iv) In our opinion and according to the information and explanations given to us, the company is not dealing in or trading in shares, securities, debentures and other investment. Therefore, the provisions of Clause 4 (xiv) of the Order are not applicable to the Company.
- (v) According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions.
- (vi) The company has not taken any term loan during the year.
- (vii) According to the information and explanations given to us and on an overall examination of the financial statements of the company, no funds raised on short term basis have been used for long term investment and vice versa.
- (viii) According to the information and explanations given to us, the company has made preferential allotment of 10738400 equity shares @ Rs. 10/- each to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956 during the year.
- (ix) The company has not issued any debentures.
- (x) The company has not raised any money by public issue during the year.
- (xi) Based on the audit procedures performed and on the basis of the information and explanations provided by the management, no material fraud on or by the company has been noticed or reported during the course of the audit.

For O. P. Bagla & CO.
Chartered Accountants

Place: New Delhi.

Date : 27 August 2009

(MUKUL BAGLA)
PARTNER
M. No. 94156

**Balance Sheet as at 31st March 2009**

	SCHEDULE	As At 31.3.2009 Amount in Rs	As At 31.3.200 Amount in Rs
I. SOURCES OF FUNDS			
1. Shareholders' Fund			
Share Capital	1	276689000.00	172015588.00
2. Reserves & Surplus			
Capital Reserve	2	2710588.00	0.00
3. Loan Funds			
Secured Loans	3	1865828.72	1515391.67
Unsecured Loans	4	55652972.16	43659456.23
Total		<u>336918388.88</u>	<u>217190435.90</u>
II. APPLICATION OF FUNDS			
1. Fixed Assets	5		
a) Gross Block		218494639.00	205712513.07
b) Less Depreciation		<u>(114203759.85)</u>	<u>(93394579.83)</u>
c) Net Block		104290879.15	112317933.24
d) Capital Work-in-Progress		<u>6389672.00</u>	<u>600000.00</u>
		110680551.15	112917933.24
2. Investments	6	1934000.00	1884000.00
3. Deferred Tax Assets (Net)		2763583.96	8620169.60
4. Current Assets, Loans & Advances			
Inventories	7	38490544.55	44422116.87
Sundry Debtors	8	5997618.55	27533523.57
Cash & Bank Balances	9	4016543.28	6151095.27
Loans & Advances	10	<u>254759213.12</u>	<u>112861313.33</u>
		303263919.50	190968048.97
Less : Current Liabilities & Provisions			
Current Liabilities	11	88741290.65	105765770.67
Provisions	12	<u>1163122.38</u>	<u>525522.33</u>
Net Current Assets		<u>213359506.47</u>	<u>84676755.87</u>
5. Profit & Loss Account		8180747.30	9091577.27
TOTAL		<u>336918388.88</u>	<u>217190435.90</u>
Accounting Policies and Notes on Accounts As per our report of even date	20		

For O.P.BAGLA & CO.
Chartered Accountants

Deepika Dhiman
Company Secretary

For and on behalf of the Board

R.K. Bagrodia
Chairman-cum-Managing Director

MUKUL BAGLA
Partner
Place New Delhi.
27 AUGUST 2009

Sushil Kumar Jain
Director



PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

SCHEDULE	For the year ended 31.03.2009 Amount in Rs.	For the year ended 31.03.2008 Amount in Rs.
OME		
Net Profit	152690839.90	316281734.00
Net Income	13 32503549.12	6998805.84
TOTAL	<u>185194389.02</u>	<u>323280539.84</u>
EXPENDITURE		
Raw Material Consumption	27065101.99	60403477.82
Working Material Consumption	52631303.43	115910022.06
Depreciation/Decrease in Stock	14 7965070.43	(7850516.46)
Manufacturing Expenses	15 32377419.01	67295611.37
Personnel Expenses	16 10935708.61	12626413.00
Administration and Other Expenses	17 11866313.00	12704845.40
Transporting and Distribution Expenses	18 19766605.95	30037568.00
Marketing Charges & Royalty	0.00	15199475.00
Financial Charges	19 1942086.99	147254.87
Depreciation	5 20809180.02	17602618.47
TOTAL	<u>185358789.43</u>	<u>324076769.53</u>
Profit (Loss) for the year	(164400.41)	(796229.69)
Adjustments-		
Prior Period Expenses	7350.00	0.00
Provision for bad debts written Back	7131577.95	7154426.00
Profit / (Loss) available for appropriation	6959827.54	6358196.31
Provision for Tax		
Current Tax	0.00	0.00
Deferred Tax	(5856585.64)	(1673192.52)
Dividend Benefit Tax	178983.00	169907.00
Dividend Benefit Tax Adjustment	13429.00	402.00
Profit / (Loss) after Tax	910829.90	4514694.79
Balance brought forward from previous year	(9091577.20)	(13606271.99)
Balance transferred to Balance Sheet	(8180747.30)	(9091577.20)
Dividends Per Share (EPS) Par Value -Rs.10/- each		
Diluted	0.05	0.27
Shares used in computing EPS	27668900	16930500
Accounting policies & Notes on Accounts	20 (On pro rata basis)	

our report of even date

BAGLA & CO.
Chartered Accountants

Deepika Dhiman
Company Secretary

For and on behalf of the Board
R.K. Bagrodia
Chairman-cum-Managing Director.

BAGLA

Sushil Kumar Jain
Director

New Delhi.
31ST 2009



	As At 31.03.2009 Amount in Rs.	As 31.03.20 Amount in F
SCHEDULE 1 : SHARE CAPITAL		
AUTHORISED 2,77,50,000 Equity Shares of Rs.10/- each (Previous Year 2,20,00,000 Equity Shares of Rs. 10/- each)	277500000.00	220000000.
ISSUED, SUBSCRIBED AND PAID UP		
27668900 Equity Shares of Rs.10/- each (Previous Year 1,69,30,500 Equity Shares of Rs: 10/- each)	276689000.00	169305000.
Add : Share Forfeiture A/c	0.00	2710588.
TOTAL	276689000.00	172015588.
SCHEDULE 2 : RESERVES & SURPLUS		
Capital Reserve (On re-issue of forfeited of equity shares)	2710588.00	0.
TOTAL	2710588.00	0.
SCHEDULE 3 : SECURED LOANS		
Cash Credit Loan from Scheduled Bank (Secured against hypothecation of Stocks & Debtors of the Company and guaranteed by two Directors)	1143518.76	1143518.
Hire Purchase Outstanding (Against hypothecation of vehicle purchased under hire purchase scheme)	722309.96	371872.
TOTAL	1865828.72	1515391.
SCHEDULE 4 : UNSECURED LOANS		
From Others (Note No.3 & 9)	55652972.16	43659456.
TOTAL	55652972.16	43659456.

SCHEDULE 5 : FIXED ASSETS

S. No.	PARTICULARS	GROSS BLOCK			DEPRECIATION				NET BLOCK		
		As at 1.4.2008	Addition	Sale/Adj.	As at 31.3.2009	As at 1.4.2008	DEP. FOR THE YEAR	SALE/ ADJ.	UP TO 31.3.2009	As at 31.3.2009	As at 31.3.2009
		1	Freehold Land	607476.00	0.00	0.00	607476.00	0.00	0.00	0.00	0.00
2	Building	38854950.26	0.00	0.00	38854950.26	9727216.28	1297755.34	0.00	11024971.62	27829978.64	29127216.28
3	Plant & Machinery	144512434.72	11993515.93	0.00	156505950.65	71539808.91	17417839.69	0.00	88957648.60	67548302.05	72972162.80
4	Electric Installation	14161937.08	0.00	0.00	14161937.08	6895737.60	1464344.29	0.00	8360081.89	5801855.19	7261937.08
5	Motor Vehicles	4972097.00	763846.00	0.00	5735943.00	3152986.30	477915.88	0.00	3630902.18	2105040.82	1879043.00
6	Furniture, Fixtures & Office Equipments	2603618.01	24764.00	0.00	2628382.01	2078830.74	151324.82	0.00	2230155.56	398226.45	579053.25
	TOTAL	205712513.07	12782125.93	0.00	218494639.00	93394579.83	20809180.02	0.00	114203759.85	104290879.15	112064785.85
	Previous Year	207348816.49	2906648.00	4542951.42	205712513.07	76213397.36	17602618.47	421436.00	93394579.83	112317933.24	131064785.85

Addition pertaining to Plant & Machinery is on account of Exchange Rate Fluctuation Rs. 11993515.93/- (Previous Year deduction Rs. 3954146.42)

SCHEDULE 6 : INVESTMENTS (AT COST)

LONG TERM-UNQUOTED*		
Indira Vikas Patra	1000.00	1000.00
National Saving Certificate	133000.00	133000.00
Shares	50000.00	50000.00
CURRENT-QUOTED		
Units of various Mutual funds	1750000.00	1750000.00
TOTAL	1934000.00	1884000.00

- * Market Value of quoted investment as on 31-3-09 Rs.1163880
- * Rs.24,000 lodged as deposit with Sales Tax Deptt.
- * Rs. 1,00,000 lodged with Rajasthan State Excise Deptt.
- * Rs.10,000 lodged with Krishi Upaj Mandi



	As At 31.03.2009 Amount in Rs.	As At 31.03.2008 Amount in Rs.
SCHEDULE 7 : INVENTORIES (As certified by the Management)		
At lower of cost and Net Realisable Value)		
-- Raw Materials	9558298.42	9509542.70
-- Stores & Spares (including packing materials)	9912898.33	8774361.94
-- Stock in Process	16777470.00	12827584.00
-- Finished Goods	1395671.80	13310628.23
-- Goods in transit	846206.00	0.00
TOTAL	<u>38490544.55</u>	<u>44422116.87</u>
SCHEDULE 8 : SUNDRY DEBTORS		
Sundry Debtors		
Debts outstanding for a period exceeding six months		
--- Considered Doubtful	0.00	7131577.95
Other Debts		
--- Considered Good	5997618.55	27533523.52
	<u>5997618.55</u>	<u>34665101.47</u>
Less:- Provision for Doubtful Debts	0.00	7131577.95
	<u>5997618.55</u>	<u>27533523.52</u>
Secured	3500000.00	3500000.00
Unsecured	2497618.55	24033523.52
TOTAL	<u>5997618.55</u>	<u>27533523.52</u>
SCHEDULE 9 : CASH AND BANK BALANCES		
Cash/Cheques in hand	727114.67	1596902.67
Balances with Scheduled Bank		
-In Current Accounts	3229428.61	4468192.55
-In Deposit Account *	60000.00	86000.00
TOTAL	<u>4016543.28</u>	<u>6151095.22</u>
Include Rs.60000/- pledged with Govt. Authorities		
SCHEDULE 10 : LOANS & ADVANCES		
(Unsecured, Considered good)		
Advances recoverable in cash or in kind or for value to be received	116291329.83	55064311.03
Loan Given	130023796.00	49614608.00
Advance Income Tax	2296556.00	1108149.00
Interest accrued	228467.23	228467.23
Prepaid Expenses	2070962.00	2998176.00
Security Deposit		
--- With Govt. Deptt.	3308102.06	3307602.06
--- With Others	540000.00	540000.00
TOTAL	<u>254759213.12</u>	<u>112861313.32</u>
SCHEDULE 11 : CURRENT LIABILITIES		
Sundry Creditors		
Due to SSI units*	0	0.00
Due to Others	76982282.39	95685252.34
Advance from Customers	54805.55	13555.00
Other Liabilities	5845366.71	4540836.35
Trade Deposits	5858836.00	5526127.00
TOTAL	<u>88741290.65</u>	<u>105765770.69</u>
* To the extent identifiable from available information		
SCHEDULE 12 : PROVISIONS		
Provision for Fringe Benefit Tax	178983.00	169907.00
Provision for Diminution on Investment	586120.00	0.00
Provision for Gratuity	398019.38	355615.38
	<u>1163122.38</u>	<u>525522.38</u>



	For the year ended 31.03.2009	For the year ended 31.03.2008
	Amount in Rs.	Amount in Rs.
SCHEDULE 13 : OTHER INCOME		
Micellaneous Sales	1760474.92	4353666.37
Interest Income (TDS Rs.1186699 Previous Year Rs.581920)	3751146.00	2573884.50
Miscellaneous Income	26962210.00	0.00
Profit/(Loss) on sale of Mutual Fund	0.00	53754.90
Liabilities no longer required	29718.20	17500.07
TOTAL	<u>32503549.12</u>	<u>6998805.84</u>
SCHEDULE 14 : INCREASE/(DECREASE) IN STOCK		
Closing Stock :		
— Finished Goods	1395671.80	13310628.23
— Stock in Process	16777470.00	12827584.00
TOTAL (A)	<u>18173141.80</u>	<u>26138212.23</u>
Opening Stock :		
— Finished Goods	13310628.23	8259679.59
— Stock in Process	12827584.00	10028016.18
TOTAL (B)	<u>26138212.23</u>	<u>18287695.77</u>
Increase/ (Decrease) in Stocks (A-B)	<u>(7965070.43)</u>	<u>7850516.46</u>
SCHEDULE 15 : MANUFACTURING EXPENSES		
Stores & Spares Consumption	2801324.49	6253539.91
Power & Fuel	17860411.52	33599577.46
Sealing Fees	11715683.00	27442494.00
TOTAL	<u>32377419.01</u>	<u>67295611.37</u>
SCHEDULE 16 : PERSONNEL EXPENSES		
Salaries, Wages & Gratuity	10621026.00	12073386.00
Contribution to Provident Fund	116946.00	86718.00
Staff Welfare	197736.61	466309.00
TOTAL	<u>10935708.61</u>	<u>12626413.00</u>
SCHEDULE 17 : ADMINISTRATION & OTHER EXPENSES		
Licence Fees, Duty, Rates & Taxes	3923603.00	3917938.40
Telephone Expenses	430181.00	504843.00
Conveyance & Travelling Expenses	2482222.00	1987561.00
Vehicle Running Expenses	341789.00	373895.00
<u>Auditor's Remuneration</u>		
- as Audit Fees	42466.00	43259.00
- as Tax Audit Fees	6066.00	6179.00
Director Sitting Fees	14000.00	9000.00
Repairs & Maintenance :		
— Plant & Machinery	741805.00	1687573.00
— Others	307328.00	520926.00
Loss on sale of Vehicle	0.00	22369.00
Insurance	254013.00	513980.00
Diminution on Investment	586120.00	0.00
Rent	108000.00	108000.00
Legal & Professional charges	587068.00	527251.00
Miscellaneous Expenses	2041652.00	2482071.00
TOTAL	<u>11866313.00</u>	<u>12704845.40</u>
SCHEDULE 18 : SELLING & DISTRIBUTION EXPENSES		
Commission, Breakage & Detention Exp	3823440.00	7745485.00
Freight Outward	8811588.00	15137657.00
Bad debts written off	7131577.95	7154426.00
TOTAL	<u>19766605.95</u>	<u>30037568.00</u>
SCHEDULE 19 : FINANCIAL CHARGES		
Interest :		
--- Hire Purchase	37094.05	71658.91
--- Others	1856476.00	49426.19
Bank Charges	48516.94	26169.77
TOTAL	<u>1942086.99</u>	<u>147254.87</u>



SCHEDULE – 20

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

These accounts are prepared on the historical cost basis and on accounting principles of a going concern. Accounting policies not specifically referred to otherwise are consistent and in consonance with generally accepted accounting principles.

REVENUE RECOGNITION

All expenses and income to the extent considered payable and receivable respectively are accounted for on mercantile basis unless specifically stated to be otherwise.

FIXED ASSETS

Fixed Assets are stated at historical cost inclusive of freight, taxes and duties.

BORROWING COSTS

Borrowing cost is charged to the profit & loss account except cost of borrowing for acquisition of qualifying assets which is capitalised till the date of commercial use of the asset.

DEPRECIATION

Depreciation on Fixed Assets has been provided on "Straight Line Method" at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956 unless specifically stated to be otherwise. Depreciation on addition/deduction has been provided pro-rata w.e.f. the date of such addition/deduction. On technical assessment of the Plant & Machinery, the same is considered as a continuous process plant and depreciation has been provided accordingly.

FOREIGN CURRENCY TRANSACTIONS

Foreign Currency loans taken for acquiring imported fixed assets are stated at the rate prevailing at the year end and any increase/decrease in the liability, in respect of such fixed assets, on account of exchange fluctuation is adjusted to fixed assets

INVESTMENTS

Long term investments are stated at cost. Current investment are valued at lower of cost or market value.

INVENTORIES

Stock of Raw Materials, Packing Materials, Store and Spares parts, stock in process and finished goods are valued at lower of cost and net realisable value. Obsolete/unusable inventories are provided as and when identified / assessed. Cost for the purpose of Raw Material, Packing Materials and Store and Spares parts is computed on Weighted Average basis. Cost for the purpose of valuation of stock in process and finished goods are determined after considering material, labour and related overheads.

RESEARCH AND DEVELOPMENT EXPENDITURE

Revenue expenditure is charged to Profit and Loss Account and capital expenditure is added to the cost of fixed assets in the year in which it is incurred.

CONTINGENT LIABILITIES

Contingent Liabilities are not provided for and are disclosed by way of a note.

RETIREMENT BENEFITS

Contribution to Provident Fund is charged to Profit and Loss Account as incurred. Liability in respect of gratuity is provided on accrual basis.

SALES

Sales include Insurance and Handling Charges etc. wherever applicable.

TAXATION

Tax liability is estimated considering the provision of Income Tax Act, 1961. Deferred Tax is recognised subject to the consideration of prudence, 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 asset is recognised and carried forward only to the extent that there is virtual/ reasonable certainty that the assets will be adjusted in future.



B. NOTES ON ACCOUNTS

1. Additions/ (deductions) to Plant & Machinery includes Rs. 1,19,93,515.93 (previous year deduction Rs. 39,54,146.42 being exchange difference on foreign currency loan.
2. Depreciation in earlier years on Plant & Machinery, Building & Electrical installation has been provided in proportion to actual capacity utilization Vis a vis installed capacity, resulting in lower provision by amounting to Rs. 3,56,73,039.70 till date (previous year Rs. 3,56,73,039.70).
3. The Company has not provided interest on foreign currency loan amounting to Rs. 1,81,31,810.62 (previous year Rs. 1,81,31,810.62) (excluding exchange fluctuation amount unascertained) till the date of conversion of the loan into interest free unsecured loan, as in the opinion of the management the same is not payable.
4. The valuation of stock in process is as estimated by the Management and auditors have relied thereon.
5. Provision for royalty and R&D cess payable thereon Rs. 14,17,709.13 till date (previous year Rs. 14,17,709.13) to foreign collaborator has not been made and the same will be provided for as and when paid/settled.
6. Balances of debtors, unsecured loans, loans and advances, sundry creditors, advance under capital work in progress and certain banks are subject to confirmation and reconciliation and consequential adjustment, if any will be accounted for in the year of reconciliation and/or confirmation.
7. Finished goods inventory include material amounting to Rs. 2,09,380.00/- (Previous year Rs. 6,80,485.00) in the possession of an ex-C&F Agent, Patna; pending for confirmation. The said Agent had raised demands on the Company for payment of commission and other dues amounting to Rs. 26,09,480/- which has been disputed by the company and the case is pending in the Hon'ble High Court of Bihar at Patna. Pending decision of the Court no provision has been made there against.
8. In the opinion of the Management, Current Assets, Loans and Advances, Fixed Assets and Capital work in progress have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated.
9. Loan from Others under 'Unsecured Loans' includes Rs. 5,56,52,972.16 received from bodies corporate (previous year Rs. 4,36,59,456.23).
10. CONTINGENT LIABILITIES : (To the extent ascertained by the management)
 - i) Disputed demand/claims of Excise/Sales Tax/Interest on cash credit from bank etc. amounting to Rs. 90,69,570.00 (previous year Rs. 89,12,584.00) not provided.
 - ii) Other claim against the company not acknowledged as debt amounting Rs 46,54,340.00 (Previous year Rs 46,54,340.00).
11. Estimated amount of contract remaining to be executed on Capital Account and not provided for (Net of advances) Rs. NIL (Previous year Rs. NIL)

WINSOME BREWERIES LIMITED



12. Managerial Remuneration – Managing Director

	2008-09	2007-08
a) Salaries	Rs. 6,00,000.00	Rs. 6,00,000.00
b) Gratuity (Provision made)	Rs. 28,846.00	Rs. 28,846.00

13. Small scale industrial undertakings to whom the company owes sums of Rs.nil (Previous year Rs. Nil) to the extent identification from available informations.

14. Statistical Data

(A) ANNUAL CAPACITY	UNIT	LICENCED	INSTALLED*
Beer	K.L.	5000	10,000
Barley Malt	M.T.	4500	—

*Installed capacity as certified by management.

(B) PRODUCTION		2008-09	2007-08
Class of Goods	Unit		
Lager Beer	Cases	21120	284605
Strong Beer	Cases	631928	1244263
		<u>653048</u>	<u>1528868</u>

(C) SALES*		2008-09		2007-08	
Class of Goods	Unit	Qty.	Rs.	Qty.	Rs.
Lager Beer	Cases	21120	4295042.00	285673	56645571.00
Strong Beer	Cases	683444	148395797.90	1216757	259636163.00
		<u>704564</u>	<u>152690839.90</u>	<u>1502430</u>	<u>316281734.00</u>

* Includes breakage, shortage, drainage and samples etc.

(D) OPENING & CLOSING STOCKS

Class Of Goods	Unit	Qty.	Rs.	Qty.	Rs.	Qty.	Rs.
Lager Beer	Cases	41707	834140.00	41707	2710955.00	42775	2882166.08
Strong Beer	Cases	25405	561531.80	76921	10599673.23	49415	5377513.51
		67112	1395671.80	118628	13310628.23	92190	8259679.59

(E) CONSUMPTION OF RAW MATERIALS

	2008-09		2007-08	
	Qty.(Kg.)	Rs.	Qty.(Kg.)	Rs.
Malt	653450	13408476.24	1616391	28794334.21
Rice	350037	4643354.98	804042	9906850.40
Sugar	127100	2386910.20	248050	3849325.05
HOPS& Others		6626360.57		17852968.16
		<u>27065101.99</u>		<u>60403477.82</u>

(F) CONSUMPTION

(i) Raw Materials		2008-09		2007-08
Imported	%	Value in Rs.	%	Value in Rs.
Indigenous	NIL	NIL	NIL	NIL
	100.00	27065101.99	100.00	60403477.82
	100.00	27065101.99	100.00	60403477.82

(ii) All stores, spares & packing materials consumed are indigenous.

(G) EXPENDITURE IN FOREIGN CURRENCY

	2008-09	2007-08
Travelling	Rs. 489245.00	Rs. NIL
Education Exp	NIL	168790.00

15 As the company is engaged in manufacturing of a single product i.e. "beer", there is no separate reportable segment as per Accounting Standard – 17 for "Segment Reporting" issued by the Institute of Chartered Accountants of India.

16 The company had purchased assets on hire purchase amounting to Rs. 1428937

Amount payable as on 31 st March 09	722309.96 (previous year Rs.371872.91)
Amount payable within one year including interest	*439524.00(previous year Rs.*266980.00)

17 Related Party Disclosures :

Disclosures as required by the Accounting Standard -- 18 " Related Party Disclosures" are given below:

(a) List of Related Parties

Key Management Personnel and Relatives (Group A)

(i) Mr. R.K. Bagrodia – (Chairman cum Managing Director) ii) Smt. Sneha Bagrodia – (Director & Wife) (iii) Mr. Shantatu Bagrodia – (Son) Enterprises in which Key Management Person or his relatives are able to exercise significant influence or have substantial interest (Group B)

(i) Indfish Ltd. (ii) R.K. Bagrodia (HUF) (iii) Shree International

(b) Details of transactions with related parties during the year 2008-2009 :



WINSOME BREWERIES LIMITED

S.No.	Nature of Transaction	Key Management Personnel and Relatives	Enterprises in which Key management person or his relatives are able to exercise significant influence or have substantial interest
1.	Remuneration	11,68,846.00	—
2.	Amount Advanced	—	6,86,750.00
3.	Repayment of unsecured Loans	—	—
4.	Director's sitting fees	4,000.00	—
5.	Payment received against advance	—	6,86,750.00
6.	Outstanding Balances as on 31.03.2009	—	—
	- Loans and Advances given	—	—
	- Unsecured Loan	—	—
	- Creditors	80,000.00	68300.00

(c) Details of transactions with related parties during the year 2007-2008:

S.No.	Nature of Transaction	Key Management Personnel and Relatives	Enterprises in which Key management person or his relatives are able to exercise significant influence or have substantial interest
1.	Remuneration	11,68,846.00	—
2.	Amount Advanced	—	7,13,740.00
3.	Repayment of unsecured Loans	—	—
4.	Director's sitting fees	2,000.00	—
5.	Payment received against advance	—	9,43,740.00
6.	Outstanding Balances as on 31.03.2008	—	—
	- Loans and Advances given	—	—
	- Unsecured Loan	—	—
	- Creditors	83,000.00	68300.00

18 Loan and advances in the nature of loans:

	Outstanding as on 31.03.09	Maximum Balance outstanding during the year
(i) Payments to Employees where there is No Interest or Interest below section 372A of Companies Act (Previous Year)	108448.00 (128245.00)	128245.00 (155863.00)
(ii) Directors' interested parties: Kanakdhara Trade & Industries Ltd. (Previous Year)	334063.00 (325943.00)	334063.00 (325943.00)

19 The breakup of net deferred tax asset as on 31.03.2009 is provided below:

	As at 31 st March 09	As at 31 st March 08
Deffered Tax Assets		
Unabsorbed Losses and Deprediation	255.08	309.62
Provision Disallowable u/s 43 B	11.95	11.91
Provision for Doubtful debt	0.00	22.04
Provision for Diminution on Investment	1.81	0.00
Provision for Gratuity	1.23	1.09
Deferred Tax Liability		
Difference in Net Book Values of Fixed Assets as per Accounts & Tax	(242.43)	(258.46)
Net Deferred Tax Asset	27.64	86.20

The Company has, based on its operational parameters and future earnings, recognized deferred tax asset (Net) as above. The management is of the view that sufficient future taxable income will be available against which such deferred tax asset can be realized.

20. Previous year's figures have been regrouped/rearranged, wherever necessary so as to make them comparable with those of current year's figures.

SIGNATURES TO SCHEDULE '1' TO '20'

As per our report of even date

For and on behalf of the Board

For O.P.BAGLA & CO.
Chartered Accountants

Deepika Dhiman
Company Secretary

R.K. Bagrodia
Chairman-cum-Managing Director

MUKUL BAGLA
Partner
Place New Delhi,
27 AUGUST 2009

Sushil Kumar Jain
Director



BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No.	1 4 5 5 6	State Code	1 7
Balance Sheet Date	3 1 0 3 0 9		
	Date Month Year		

II. Capital Raised during the year (Amount in Rs. Thousands)

Public issue	NIL	Right issue	NIL
Bonus issue	NIL	Private Placement	1 0 7 3 8 4

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities	4 2 6 8 2 3	Total Assets	4 2 6 8 2 3
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Sources of Funds

Paid up Capital	2 7 6 6 8 9	Reserves & Surplus	2 7 1 1
Secured Loans	0 0 1 8 6 6	Unsecured Loans	0 5 5 6 5 3
Current liabilities & Provision	0 8 9 9 0 4		

Application of Funds

Net Fixed Assets	1 1 0 6 8 1	Investments	0 0 1 9 3 4
Current Assets	3 0 3 2 6 4	Misc. Expenditure	0 0 0 0 0
Accumulated Losses	0 0 8 1 8 1	Deferred Tax Assets (Net)	0 2 7 6 3

IV. Performance of Company (Amount in Rs. Thousands)

Turnover (including other income)	1 8 5 1 9 4	Total Expenditure	1 8 5 3 5 9
Profit/ (Loss) Before Tax	0 1 6 5	Profit (Loss) After Tax	0 9 1 1
Earning Per Share (in Rs.)	0 0 0 5	Dividend Rate %	NIL

V. Generic Names of three Principal Products/ Services of Company (As per monetary Terms)

Item Code No.	2 2 0 3		
Product Description	B E E R	M A D E	F R O M M A L T

For O.P. Bagla & CO
Chartered Accountants

Mukul Bagla
Partner

Deepika Dhiman
Company Secretary

For behalf of the Board

Place: New Delhi
Date: 27 AUGUST 2009

R. K. Bagrodia
Chairman-cum-Managing Director

Sushil Kumar Jain
Director

**Cash flow statement for the year ended 31st March,2009**

	(Amount in Rupees)	
	For the year ended 31st March,2009	For the year ended 31st March,2008
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax & extraordinary items	(164400.41)	(796229.69)
Adjustment for :		
Depreciation	20809180.02	17602618.47
Prior Period Expenses	(7350.00)	0.00
Loss on sale of Fixed Assets	0.00	22369.00
Interest paid	0.00	49426.19
Interest received	(3751146.00)	(2573884.50)
Bad debts written off	7131577.95	7154426.00
Provision For Diminution in vale of Investment	586120.00	0.00
Operating profit before working capital changes	24603981.56	21458725.47
Adjustment for :		
Trade & Other receivables	(120361994.83)	64887995.84
Inventories	5931572.32	372302.08
Trade payables	(16973000.04)	(86216175.98)
Cash Genrated from Operations	(106799440.99)	502847.41
Tax Paid	(192412.00)	(170309.00)
Cash flow before extra ordinary items	(106991852.99)	332538.41
Net Cash from Operating Activities	(106991852.99)	332538.41
B CASH FLOW FROM INVESTING ACTIVITIES		
Increase/Decrease in Fixed Assets/CWIP(in Terms of Cash)	(6,578,282.00)	(865648.00)
(Purchase)/sale of investments	(50000.00)	(750000.00)
Shares issue	107384000.00	0.00
Interest received	3751146.00	2573884.50
Calls in Arrear received	0.00	9250.00
Net cash used in Investing Activities	104506864.00	967486.50
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from borrowings	350437.05	(339431.09)
Repayments of borrowings	0.00	0.00
Interest Paid	0.00	(49426.19)
Net Cash used in Financing activities	350437.05	(388857.28)
Net Increase/(Decrease) in Cash & Cash equivalent(A+B+C)	(2134551.94)	911167.63
Cash and Cash Equivalents at the beginning of the year	6151095.22	5239927.59
Cash and Cash Equivalents at the end of the year	4016543.28	6151095.22

Notes:

1. Cash and Cash Equivalents Includes:

Cash	727114.67	1596902.67
Balance with Scheduled Banks	3289428.61	4554192.55
Total	4016543.28	6151095.22

2. Previous Years figures have been regrouped/ rearranged wherever necessary.

As per our report of even date

For O.P. Bagla & CO

Chartered Accountants

For behalf of the Board

Mukul Bagla
PartnerDeepika Dhiman
Company SecretaryPlace: New Delhi
Date: 27 AUGUST 2009R. K. Bagrodia
Chairman-cum-Managing DirectorSushil Kumar Jain
Director

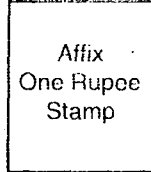
WINSOME BREWERIES LIMITED

Regd. Office: Vill. Sarekhurd, Tehsil, Tijara, Distt. Alwar (Rajasthan)

RES HELD	

DP-ID	
CLIENT-ID	

..... of..... Being a Member/Members of the above named Company hereby appoint Mr./
 Or failing him Mr./Mrs..... as my/our proxy to vote for me/us on my/our behalf at the Seventieth
 Annual Meeting of the Company to be held on Wednesday the 30th September, 2009 at 11.00 a. m. and any
 part thereof.



..... day at.....2009

should be signed by the shareholder across the stamp as per the specimen signature.
 This form duly completed must be deposited at the Regd. Office of the Company not less than 48 hours before
 the meeting for the Meeting.

WINSOME BREWERIES LIMITED

Regd. Office: Vill. Sarekhurd, Tehsil Tijara, Distt.: Alwar (Rajasthan)

RES HELD	

DP-ID	
CLIENT-ID	

ATTENDANCE CARD
 This card is to be filled in my/our presence at the Seventieth Annual General meeting of Company to be held at the Regis-
 trar's Office of the Company on Wednesday, the 30th September, 2009 at 11.00 a.m.

NAME OF SHAREHOLDER (IN CAPITAL LETTERS)	
ADDRESS OF THE SHAREHOLDER	
NAME OF PROXY	
ADDRESS OF PROXY	

Present this Attendance Card and hand it over at the venue of the meeting.
 This card is only permitted to shareholders/valid proxy holders.
 Obtain additional card on request.

BOOK POST

If undelivered, please return to:

HOME BREWERIES LIMITED

Dist. Alwar: