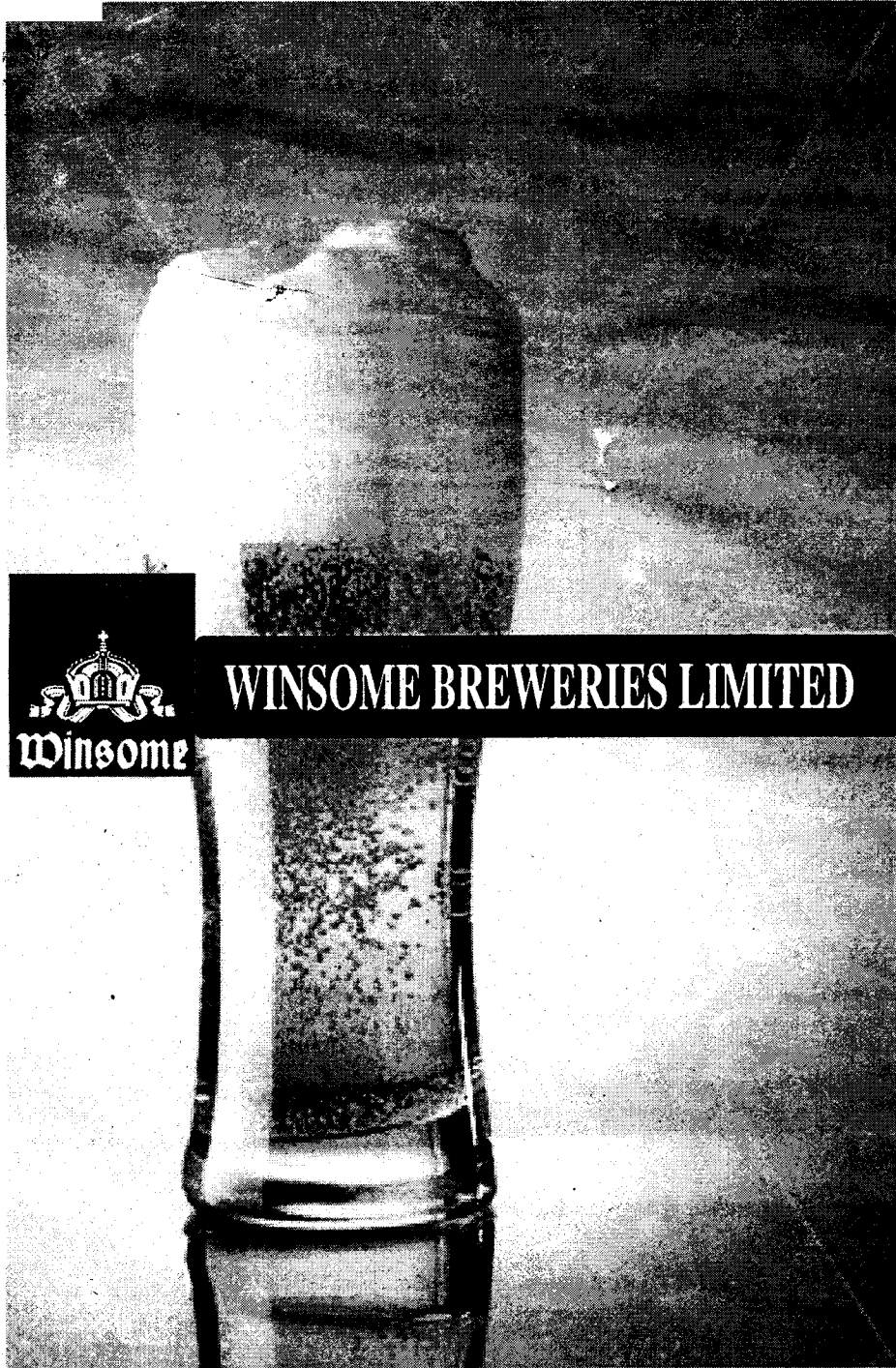


**18th  
ANNUAL REPORT  
2009-2010**



**WINSOME BREWERIES LIMITED**

**BOARD OF DIRECTORS**

SH. R. K. BAGRODIA  
SH. V.P. CHOUDHARY  
SMT. SNEH BAGRODIA  
SH. SUSHIL KUMAN JAIN  
SH. PRADEEP CHATURVEDI

CHAIRMAN-CUM-MANAGING DIRECTOR  
DIRECTOR  
DIRECTOR  
DIRECTOR  
DIRECTOR

**COMPANY SECRETARY**  
RAMAN KUAMAR

**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 Eighteenth Annual General Meeting of the members of the company M/s Winsome Breweries Limited will be held on Thursday, the 30<sup>th</sup> day of September, 2010 at 11.00 a.m. at its Registered Office of the company at Village Sarekhurd, Tehsil Tijara, Distt. Alwar, Rajasthan to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at 31st March 2010 and the Profit & Loss Account for the year ended on that date and report of the Directors and Auditors thereon.
2. To appoint a Director in place of Mrs. Sneh Bagrodia who retires by rotation and being eligible offers herself for re-appointment.
3. To appoint Statutory Auditors & fix their remuneration. The retiring Auditors M/s O. P. Bagla & Co., Chartered Accountants, are eligible for re-appointment.

### SPECIAL BUSINESS :

To consider and if thought fit, to pass with or without modification(s) the following resolutions as an ordinary resolution:

4. "Resolved that as per the applicable provisions of the Companies Act, 1956 and subject to the approval of the shareholder at the meeting, Mr. Ved Pal Choudhary be and is hereby appointed as the Director of the company.

By Authority of the Board  
For Winsome Breweries Limited

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

Place: New Delhi  
Date: 27, August 2010

### 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. 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.
2. The Register of Members and Share transfer Books of the Company shall remain closed from 25<sup>th</sup> September 2010 to 30<sup>th</sup> September 2010 (both days inclusive).
3. Members are required,
  - (I) To notify change of address, if any
  - (II) To bring their copy of Annual Report to the meeting.
4. Members desirous of having any information on Accounts are requested to address their Queries to the Company Secretary latest by 20<sup>th</sup> September 2010 so that the requisite information is available at the meeting.

### EXPLANATORY STATEMENT AS PER SECTION 173(2) OF THE COMPANIES ACT,1956

As Mr. Ved Pal Choudhary was appointed as the Additional Director of the company on 24.03.2010 and seeing his performance and advise for the good working of the company it is proposed to appoint him as the Director on the Board of the company, subject to the approval of the shareholders at this Annual General Meeting.

Hence the ordinary resolution at item No. 4

None of the Directors is interested in the resolution.

**DIRECTOR'S REPORT**

TO THE MEMBERS,

Your Directors are pleased to present their Eighteenth Annual Report together with the Audited Financial Statement of your Company for the year ended on 31<sup>st</sup> March 2010.

**FINANCIAL RESULTS :**

	<u>2009- 2010</u>	<u>(Amount in Rs.)</u> <u>2008-2009</u>
Sales	47,58,62,446.00	15,26,90,839.90
Profit/(loss) before Depreciation	2,94,62,926.88	2,06,44,779.61
Less Depreciation	1,96,74,856.04	2,08,09,180.02
<b>Net Profit/ (Loss) for the year</b>	<b>97,88,070.84</b>	<b>(1,64,400,41)</b>
<b>Adjustments</b>		
1. Prior Period Expenses	23,250.00	7350.00
2. Provision for Bad debts written off	0.00	<u>71,31,577.95</u>
<b>Profit/(Loss) available for appropriation</b>	<b>97,64820.84</b>	<b>69,59,827.54</b>
<b>Provision for Tax</b>		
- Current Tax	15,10,000.00	0.00
- Fringe Benefit Tax	0.00	1,78,983.00
- Fringe Benefit Tax adjustment	(7,843.00)	13,429.00
- Deferred Tax	<u>10,61,734.94</u>	<u>58,56,585.64</u>
<b>Net Profit/(Loss) after Tax</b>	<b>72,00,928.90</b>	<b>9,10,829.90</b>

**DIVIDEND:**

In view of the above financial results and not adequate profits, your Directors express their inability to recommend any dividend for the year under review.

**OPERATIONS:**

During the fiscal under review, turnover of the Company increased from Rs. 1526.91 Lac to Rs. 4758.62 Lac and earned profit of Rs. 97.88 Lac against last year loss of Rs. 1.64 Lac. However the company is striving hard to further increase the utilisation of the 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/comments. Your Company's auditors M/s O. P. Bagla & Co. retire at the conclusion of ensuing Annual General Meeting and being eligible 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, Mrs. Sneh Bagrodia, Director of the Company will retire by rotation and being eligible offers herself for the re-appointment.

During the financial year under review one of our Directors Lt. Gen. V. K. Sood. (Retd.) expired on 24.03.2010 and in his place Mr. Ved Pal Choudhary was appointed as the Director of the company.



**DIRECTORS RESPONSIBILITY STATEMENT:**

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

1. In the preparation of the Annual Accounts, the applicable accounting standards have been followed alongwith proper explanation relating to materials departures in the financial statement.
2. 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.
3. 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.
4. 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.

**ACKNOWLEDGEMENTS:**

The 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

Place: New Delhi  
Date: 27 August 2010

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

**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 31.03.2010 (in Rs.)	year ended 31.03.2009 (in Rs.)
a) Capital expenditure	Nil	Nil
b) Recurring	Nil	Nil
c) Total	Nil	Nil
d) 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 31.03.2010 (in Rs.)	Year ended 31.03.2009 (in Rs.)
a) Foreign Exchange Earning	—	—
b) Foreign Exchange outgo		
i) Capital goods	—	—
ii) Raw materials	—	—
iii) Packing materials & stores	—	—
iv) Travelling expenses	88050.00	489245.00
(v) Education Expenses	1779888.26	0.00
(vi) London Business School	0.00	1775853.00

**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 its 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: 27 August 2010

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



## CORPORATE GOVERNANCE

The company's compliance of Corporate Governance for the financial year April 1, 2009 to March 31, 2010 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 2010 is as under :

Name of Director	Executive/ Independent/ Non Executive	No. of Board Meetings Attended	Attendance at Previous AGM as on 30.09.2009	*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	6	Present	3	6	—	—
Mrs. Sneha Bagrodia	Non- Executive	6	Present	2	—	—	—
Sushil Kumar Jain	Independent Director	6	Present	—	16	3	—
Pradeep Chaturvedi	Independent Director	2	Present	—	—	—	3
Ved Pal Choudhary	Independent Director	1	Appointed on 24.03.2010 in Place of Lt. Gen. V.K. Sood (Retd.) who expired on 24.03.2010	1	1	—	3
Late Lt. Gen V.K. Sood (Retd.)	Independent Director	1	Absent	—	—	—	—

\* 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: 30<sup>th</sup> April 2009, 31<sup>st</sup> July 2009, 01<sup>st</sup> September, 2009, 28<sup>th</sup> October, 2009, 30<sup>th</sup> January, 2010 and 24<sup>th</sup> March, 2010.

### 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 Mr. Ved Pal Choudhary 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.
7. To advise the management where great attention is required with respect to audit.

**The Audit Committee:-**

- 1 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.
2. To recommend to the Board the appointment, re-appointment, if required, of statutory auditor and fixation of audit fees and other remuneration.
3. 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.
4. To review with the management the financial results for each quarter/ period before being placed to the Board of Directors for approval.
5. To review with the management the annual financial statement before submission to the Board for approval.
- 6 Responsible for effective supervision of the financial reporting process, ensuring financial, accounting and operating controls and ensuring compliance with established policies and procedures.
- 7 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.
- 8 To determine adequacy of internal controls and ensures its effectiveness.
- 9 To provide an open means of communication between the internal audit team, the statutory auditors and the Board of Directors.
- 10 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
Late Lt. Gen. V.K. Sood (Retd.)	1
Mr. Ved Pal Choudhary	Nil

**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 & Mr. Ved Pal Choudhary 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
Late Lt. Gen. V.K. Sood (Retd.)	1
Mr. Ved Pal Choudhary	Nil

The total number of complaints received and replied to the satisfaction of the shareholders during the year under review were 1 and from SEBI were Nil 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 4 members. The Chairman of the Committee is Mr. Sushil Kumar Jain, Independent Director and the other members are Mr. Pradeep Chaturvedi and Mr. Ved Pal Choudhary.





**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
Ved Pal Choudhary	0

**REMUNERATION PAID TO DIRECTOR IN THE YEAR 2009-10**

The salary paid to the Managing Director of the company Mr. R. K. Bagrodia amounts to:

Salary	Rs. 6,00,000.00
Gratuity	Rs. 28,846.00

The salary paid to the Director of the company Mrs. Sneha Bagrodia amounts to: Rs. 3,00,000.00

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.)	1,000/-	—	1,000/-
2	Sneha Bagrodia	4,000/-	—	4,000/-
3	Sushil Kumar Jain	4,000/-	—	4,000/-
4	Pradeep Chaturvedi	2,000/-	—	2,000/-

**ANNUAL GENERAL MEETINGS**

Location and time for the last three AGM's:

Year	Date	Venue	Time
2006-2007	29.09.2007	Village Sarekhurd, Tehsil Tijara, Distt. Alwar, Rajasthan.	11.00 A.M.
2007-2008	30.09.2008	—Same—	11.00A.M.
2008-2009	30.09.2009	—Same—	11.00A.M.

No postal ballot resolutions were passed.

**EXTRA ORDINARY GENERAL MEETINGS**

No Extra Ordinary General Meeting of the shareholders of the company was held during the financial year of the company.

**DISCLOSURE**

During the year 2009-10, the company has related party transactions as is envisaged under the Corporate Governance code which have been mentioned in Note 16 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 "Statesman" 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 Eighteenth Annual General Meeting is scheduled to be held on Thursday the 30<sup>th</sup> day of Sept. 2010 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 25<sup>th</sup> Sept. 2010 (Saturday) to 30<sup>th</sup> Sept. 2010 (Thursday), both days inclusive.

**Listing on stock Exchanges**

Bombay Stock Exchange Limited, Stock Exchange Building, Dalal Street, Mumbai

**Depositories****1. National Securities Depositories Limited**

Trade World, 4<sup>th</sup> Floor, Kamala Mill Compound, Lower Parel, Mumbai-13.

**2. Central Depositories Services Limited**

P. J. Towers, 28<sup>th</sup> Floor, Dalal Street, Mumbai-23

**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 31<sup>st</sup> March, 2010**

No. of shares	No. of shareholders	% of total shareholders	No. of shares	% of total shares
01 to 5000	10,656	78.47	38,85,927	14.04
5001 to 10000	2,219	16.34	18,38,184	6.64
10001 to 20000	439	3.23	6,77,607	2.45
20001 to 30000	81	0.60	2,12,191	0.77
30001 to 40000	49	0.36	1,76,116	0.64
40001 to 50000	34	0.25	1,55,827	0.56
50001 to 1,00,000	38	0.28	2,83,654	1.03
1,00,001 and above	63	0.46	2,04,39,394	73.87
<b>Total</b>	<b>13,597</b>	<b>100.00</b>	<b>2,76,68,900</b>	<b>100.00</b>

Particulars	No. of shares held	% of shares held
Promoters Holding	1,25,94,800	45.52
Mutual Funds & UTI	55,500	0.20
Banks, Financial Institution & Insurance Companies	0	0.00
FIs	0	0.00
Private Corporate bodies	68,55,920	24.78
Indian Public	75,69,296	27.36
NRIs/OCBs	5,65,800	2.04
Any Other	27,584	0.10
<b>Total</b>	<b>2,76,68,900</b>	<b>100.00</b>

**Dematerialisation of shares and liquidity**

The trading of the Company's equity shares falls under the category of compulsory delivery in demat mode under ISIN code INE 391C01011 in respect of all categories of investors. The shares can be held in the dematerialised form with the Depository Participants which are either National Security Depository Limited or Central Depository Services Limited. 31.44% of the total shares have been dematerialised upto 31<sup>st</sup> March, 2010.

**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.

Place: New Delhi

Dated: 14 August, 2010

For & on behalf of the Board

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 31<sup>st</sup> March, 2010 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: 14 AUGUST 2010

**AUDITORS' REPORT**

**TO THE MEMBERS OF WINSOME BREWERIES LIMITED**

We have audited the attached Balance Sheet of Winsome Breweries Limited as at 31st March, 2010 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 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 .
- 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 31.3.2010 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. 6 (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. 5).  
iii) Note No. 9 regarding contingent liability taken on management estimation basis and our inability to comment on correctness and completeness of the same.  
iv) Note No. 18 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 of depreciation on certain fixed assets amounting to Rs. 3,56,73,039.70 for the earlier years ( Note No. 2 ).  
ii) 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 (ii) above been given to in these accounts, balance in Profit and Loss Account would have been Rs. 5,47,84,668.72 (as against the reported figure of Rs. 9,79,818.40), Total Fixed Assets would have been Rs. 5,66,31,749.65 (as against the reported figure of Rs. 9,23,04,789.35) and unsecured loan would have been Rs. 6,74,38,487.02 (as against the reported figure of Rs. 4,93,06,676.40).
- 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 31<sup>st</sup> March, 2010; and  
ii) in the case of the Profit and Loss Account, of the profit 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.  
Date: 14 AUGUST 2010

(MUKUL BAGLA)  
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 31<sup>st</sup> March, 2010)

- 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. No material discrepancies were noticed on such verification.
- (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 31<sup>st</sup> March 2010 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 <sup>th</sup> April 1999	Not paid till date
		267036.39	1999-00	15 <sup>th</sup> July 1999	

Further, this is to be read together with our comments in para 2f) (II) (i) to (ii) 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
Rajasthan 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 (ii) in our Audit Report, accumulated losses as at 31<sup>st</sup> March, 2010 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 (iv) above in respect of unquantified qualifications, effect of which could not be ascertained.
- xi) 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. 2840969.07)
- xii) 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.
- xiii) 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.
- xiv) 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.
- xv) 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.
- xvi) The company has not taken any term loan during the year.
- xvii) 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.
- xviii) According to the information and explanations given to us, the company has not made preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956 during the year.
- xix) The company has not issued any debentures.
- xx) The company has not raised any money by public issue during the year.
- xxi) 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: 14 AUGUST 2010

**(MUKUL BAGLA)**  
PARTNER  
M. No. 94156



## Balance Sheet as at 31st March 2010

	SCHEDULE	As At 31.3.2010 Amount in Rs	As At 31.3.2009 Amount in Rs.
<b>I. SOURCES OF FUNDS</b>			
1. Shareholders' Fund			
Share Capital	1	276689000.00	276689000.00
2. Reserves & Surplus			
Capital Reserve	2	2710588.00	2710588.00
3. Loan Funds			
Secured Loans	3	3259818.41	1865828.72
Unsecured Loans	4	49306676.40	55652972.16
<b>Total</b>		<u><u>331966082.81</u></u>	<u><u>336918388.88</u></u>
<b>II. APPLICATION OF FUNDS</b>			
1. Fixed Assets	5		
a) Gross Block		221682395.24	218494639.00
b) Less Depreciation		<u>(133597605.89)</u>	<u>(114203759.85)</u>
c) Net Block		88084789.35	104290879.15
d) Capital Work-in-Progress		<u>4220000.00</u>	<u>6389672.00</u>
		92304789.35	110680551.15
2. Investments	6	1934000.00	1934000.00
3. Deferred Tax Assets (Net)		1701849.02	2763583.96
4. Current Assets, Loans & Advances			
Inventories	7	34810777.79	38490544.55
Sundry Debtors	8	93468065.85	5997618.55
Cash & Bank Balances	9	1078120.53	4016543.28
Loans & Advances	10	<u>261582023.12</u>	<u>254759213.12</u>
		390938987.29	303263919.50
Less : Current Liabilities & Provisions			
Current Liabilities	11	153942822.87	88741290.65
Provisions	12	<u>1950538.38</u>	<u>1163122.38</u>
Net Current Assets		235045626.04	213359506.47
5. Profit & Loss Account		979818.40	8180747.30
<b>TOTAL</b>		<u><u>331966082.81</u></u>	<u><u>336918388.88</u></u>
Accounting Policies and Notes on Accounts As per our report of even date	20		

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

**Raman Kumar**  
Company Secretary

For and on behalf of the Board

**R.K. Bagrodia**  
Chairman-cum-Managing Director

**MUKUL BAGLA**  
Partner  
Place New Delhi.  
14 AUGUST 2010

**Sushil Kumar Jain**  
Director



## PROFIT &amp; LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

	SCHEDULE	For the year ended 31.03.2010 Amount in Rs.	For the year ended 31.03.2009 Amount in Rs.
<b>INCOME</b>			
Sales		475862446.00	152690839.90
Other Income	13	64876330.38	32503549.12
<b>TOTAL</b>		<b>540738776.38</b>	<b>185194389.02</b>
<b>EXPENDITURE</b>			
Raw Material Consumption		102759179.39	27065101.99
Packing Material Consumption		224299737.03	52631303.43
(Increase)/Decrease in Stock	14	5683459.73	7965070.43
Manufacturing Expenses	15	84343174.27	32377419.01
Personnel Expenses	16	27839839.76	10935708.61
Administration and Other Expenses	17	26897617.52	11866313.00
Selling and Distribution Expenses	18	34652943.00	19766605.95
Financial Charges	19	4799898.80	1942086.99
Depreciation	5	19674856.04	20809180.02
<b>TOTAL</b>		<b>530950705.54</b>	<b>185358789.43</b>
Profit (Loss) for the year		9788070.84	(164400.41)
Adjustments-			
1) Prior Period Expenses		23250.00	7350.00
2) Provision for bad debts written Back		0.00	7131577.95
Profit / (Loss) available for appropriation		9764820.84	6959827.54
Less Provision for Tax			
:Current Tax		1510000.00	0.00
:Deferred Tax		1061734.94	5856585.64
: Fringe Benefit Tax		0.00	178983.00
Fringe Benefit Tax Adjustment		(7843.00)	13429.00
Profit / (Loss) after Tax		7200928.90	910829.90
Balance brought forward from previous year		(8180747.30)	(9091577.20)
Balance transferred to Balance Sheet		(979818.40)	(8180747.30)
Earnings Per Share(EPS) Par Value Rs.10/- each Basic/Diluted		0.26	0.05
No. of Shares used in computing EPS		27668900	27668900
Accounting policies & Notes on Accounts	20		(On pro rata basis)

As per our report of even date

For O.P.BAGLA & CO.  
Chartered AccountantsRaman Kumar  
Company Secretary

For and on behalf of the Board

R.K. Bagrodia  
Chairman-cum-Managing DirectorMUKUL BAGLA  
Partner  
Place New Delhi.  
14 AUGUST 2010Sushil Kumar Jain  
Director





	As At 31.03.2010 Amount in Rs.	As At 31.03.2009 Amount in Rs.
<b>SCHEDULE 1 : SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
2,77,50,000 Equity Shares of Rs.10/- each	277500000.00	277500000.00
<b>ISSUED, SUBSCRIBED AND PAID UP</b>		
27668900 Equity Shares of Rs.10/- each	276689000.00	276689000.00
<b>TOTAL</b>	276689000.00	276689000.00
<b>SCHEDULE 2 : RESERVES &amp; SURPLUS</b>		
Capital Reserve	2710588.00	2710588.00
(On re-issue of forfeited of equity shares)		
<b>TOTAL</b>	2710588.00	2710588.00
<b>SCHEDULE 3 : SECURED LOANS</b>		
Cash Credit Loan from Scheduled Bank (Secured against hypothecation of Stocks & Debtors of the Company and guaranteed by two Directors)	2840969.07	1143518.76
Hire Purchase Outstanding (Against hypothecation of vehicle purchased under hire purchase scheme)	418849.34	722309.96
<b>TOTAL</b>	3259818.41	1865828.72
<b>SCHEDULE 4 : UNSECURED LOANS</b>		
From Others (Note No.3 & 8)	49306676.40	55652972.16
<b>TOTAL</b>	49306676.40	55652972.16

**SCHEDULE 5 : FIXED ASSETS**

S. No.	PARTICULARS	Amount in Rs.									
		GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As at 1.4.2009	Addition	Sale/Adj.	As at 31.3.2010	As at 1.4.2009	DEP. FOR THE YEAR	SALE/ ADJ.	UPTO 31.3.2010	As at 31.3.2010	As at 31.3.2009
1	Freehold Land	607476.00	2100000.00	0.00	2707476.00	0.00	0.00	0.00	0.00	2707476.00	607476.00
2	Building	38854950.26	1100187.00	0.00	39955137.26	11024971.62	1330071.90	0.00	12355043.52	27600993.74	27829978.64
3	Plant & Machinery	156505950.65	4978130.00	6346295.76	155137784.89	86957648.60	16091094.39	0.00	105048742.99	50089041.90	67548302.05
4	Electric Installation	14161937.08	61155.00	0.00	14223092.08	8360081.89	1469905.44	0.00	9829987.33	4393104.75	5801855.19
5	Motor Vehicles	5735943.00	1600000.00	438000.00	6897943.00	3630902.18	626986.78	281010.00	3976878.96	2921064.04	2105040.82
6	Furniture, Fixtures & Office Equipments	2628382.01	132580.00	0.00	2760962.01	2230155.56	156797.53	0.00	2386953.09	374008.92	398226.45
	<b>TOTAL</b>	<b>218494639.00</b>	<b>9972052.00</b>	<b>6784295.76</b>	<b>221682395.24</b>	<b>114203759.85</b>	<b>19674856.04</b>	<b>281010.00</b>	<b>133597605.89</b>	<b>88084789.35</b>	<b>104290879.15</b>
	Previous Year	205712513.07	12782125.93	0.00	218494639.00	93394579.83	20809180.02	0.00	114203759.85	104290879.15	112317933.24

**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
<b>TOTAL</b>	<b>1934000.00</b>	<b>1934000.00</b>

\* Market Value of quoted investment as on 31-3-10 Rs.2368665/-

\* 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 31.03.2010 Amount in Rs.	As At 31.03.2009 Amount in Rs.
<b>SCHEDULE 7 : INVENTORIES (As certified by the Management)</b>		
(At lower of cost and Net Realisable Value)		
--- Raw Materials	9770201.44	9558298.42
--- Stores & Spares (including packing materials)	12550894.28	9912898.33
--- Stock in Process	9233117.00	16777470.00
— Finished Goods	3256565.07	1395671.80
— Goods in transit	0.00	846206.00
<b>TOTAL</b>	<b>34810777.79</b>	<b>38490544.55</b>
<b>SCHEDULE 8 : SUNDRY DEBTORS</b>		
Sundry Debtors		
Debts outstanding for a period exceeding six months		
--- Considered Doubtful	0.00	0.00
Other Debts		
— Considered Good	93468065.85	5997618.55
	93468065.85	5997618.55
Secured		
Unsecured		
	350000.00	350000.00
	89968065.85	2497618.55
<b>TOTAL</b>	<b>93468065.85</b>	<b>5997618.55</b>
<b>SCHEDULE 9 : CASH AND BANK BALANCES</b>		
Cash/Cheques in hand	163843.67	727114.67
Balances with Scheduled Bank		
-In Current Accounts	854276.86	3229428.61
-In Deposit Account *	60000.00	60000.00
<b>TOTAL</b>	<b>1078120.53</b>	<b>4016543.28</b>
Include Rs.60000/- pledged with Govt. Authorities		
<b>SCHEDULE 10 : LOANS &amp; ADVANCES</b>		
(Unsecured, Considered good)		
Advances recoverable in cash or in kind or for value to be received	88926321.83	116291329.83
Loan Given	159074246.00	130023796.00
Advance Income Tax	4057499.00	2296556.00
Interest accrued	228467.23	228467.23
Prepaid Expenses	6036087.00	2070962.00
<b>Security Deposit</b>		
—With Govt. Deptt.	2719402.06	3308102.06
—With Others	540000.00	540000.00
<b>TOTAL</b>	<b>261582023.12</b>	<b>254759213.12</b>
<b>SCHEDULE 11 : CURRENT LIABILITIES</b>		
Sundry Creditors		
Due to SSI units*	0	0.00
Due to Others	137854635.53	76982282.39
Advance from Customers	103653.67	54805.55
Other Liabilities	10271031.67	5845366.71
Trade Deposits	5713502.00	5858836.00
<b>TOTAL</b>	<b>153942822.87</b>	<b>88741290.65</b>
* To the extent identifiable from available information		
<b>SCHEDULE 12 : PROVISIONS</b>		
Provision for Fringe Benefit Tax	0.00	178983.00
Provision for Diminution on Investment	0.00	586120.00
Provision for income Tax	1510000.00	0.00
Provision for Gratuity	440538.38	398019.38
	1950538.38	1163122.38



	For the year ended 31.03.2010 Amount in Rs.	For the year ended 31.03.2009 Amount in Rs.
<b>SCHEDULE 13 : OTHER INCOME</b>		
Micellaneous Sales	7213942.00	1760474.92
Interest Income (TDS Rs.920969 Previous Year Rs. 777958)	8437919.00	3751146.00
Miscellaneous Income (TDS Rs.970326 Previous Year Rs. 408741)	48516260.00	26962210.00
Liabilities no longer required written back	708209.38	29718.20
<b>TOTAL</b>	<b>64876330.38</b>	<b>32503549.12</b>
<b>SCHEDULE 14 : INCREASE/(DECREASE) IN STOCK</b>		
Closing Stock :		
— Finished Goods	3256565.07	1395671.80
— Stock in Process	9233117.00	16777470.00
<b>TOTAL (A)</b>	<b>(A) 12489682.07</b>	<b>18173141.80</b>
Opening Stock :		
— Finished Goods	1395671.80	13310628.23
— Stock in Process	16777470.00	12827584.00
<b>TOTAL (B)</b>	<b>(B) 18173141.80</b>	<b>26138212.23</b>
Increase/ (Decrease) in Stocks (A-B)	<b>(5683459.73)</b>	<b>(7965070.43)</b>
<b>SCHEDULE 15 : MANUFACTURING EXPENSES</b>		
Stores & Spares Consumption	5441524.41	2801324.49
Power & Fuel	33062382.86	17860411.52
Sealing Fees	45839267.00	11715683.00
<b>TOTAL</b>	<b>84343174.27</b>	<b>32377419.01</b>
<b>SCHEDULE 16 : PERSONNEL EXPENSES</b>		
Salaries, Wages & Gratuity	23642372.50	10621026.00
Contribution to Provident Fund	113281.00	116946.00
Staff Welfare	4084186.26	197736.61
<b>TOTAL</b>	<b>27839839.76</b>	<b>10935708.61</b>
<b>SCHEDULE 17 : ADMINISTRATION &amp; OTHER EXPENSES</b>		
Licence Fees, Duty, Rates & Taxes	3662985.00	3923603.00
Telephone Expenses	439670.27	430181.00
Conveyance & Travelling Expenses	2280353.00	2482222.00
Vehicle Running Expenses	420138.00	341789.00
<u>Auditor's Remuneration</u>		
- as Audit Fees	42466.00	42466.00
- as Tax Audit Fees	6066.00	6066.00
Director Sitting Fees	11000.00	14000.00
Repairs & Maintenance :		
— Plant & Machinery	1763216.00	741805.00
— Others	1535632.00	307328.00
Loss on sale of Vehicle	69490.00	0.00
Insurance	28108.00	254013.00
Diminution on Investment	0.00	586120.00
Rent	108000.00	108000.00
Legal & Professional charges	1216397.00	587068.00
Sundry Balances Written off	14580561.00	327863.00
Miscellaneous Expenses	733535.25	1713789.00
<b>TOTAL</b>	<b>26897617.52</b>	<b>11866313.00</b>
<b>SCHEDULE 18 : SELLING &amp; DISTRIBUTION EXPENSES</b>		
Commission, Breakage & Detention Exp	5658930.00	3823440.00
Freight Outward	28994013.00	8811588.00
Bad debts written off	0.00	7131577.95
<b>TOTAL</b>	<b>34652943.00</b>	<b>19766605.95</b>
<b>SCHEDULE 19 : FINANCIAL CHARGES</b>		
Interest :		
--- Hire Purchase	4680486.69	37094.05
--- Others	0.00	1856476.00
Bank Charges	119412.11	48516.94
<b>TOTAL</b>	<b>4799898.80</b>	<b>1942086.99</b>



## SCHEDULE - 20

**A) ACCOUNTING POLICIES****1. 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.

**2. 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.

**3. FIXED ASSETS**

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

**4. 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.

**5. 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.

**6. 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

**7. INVESTMENTS**

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

**8. 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.

**9. 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.

**10. CONTINGENT LIABILITIES**

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

**11. 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.

**12. SALES**

Sales include Insurance and Handling Charges etc. wherever applicable.

**13. 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.63,46,295.76) {previous year Addition Rs.1,19,93,515.93} 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. 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.
6. Finished goods inventory include material amounting to Rs. 2,09,380.00/-(Previous year Rs. 2,09,380.00) 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.
7. 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.
8. Loan from Others under 'Unsecured Loans' includes Rs. 4,93,06,676.40 received from bodies corporate (previous year Rs. 5,56,52,972.16).

**9. 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. 32,94,322.00 (previous year Rs. 90,69,570.00) not provided.
- ii) Other claim against the company not acknowledged as debt amounting Rs 34,39,480.00 (Previous year Rs. 46,54,340.00).
10. Estimated amount of contract remaining to be executed on Capital Account and not provided for (Net of advances) Rs. NIL (Previous year Rs. NIL)
11. Managerial Remuneration – Managing Director

	<u>2009-10</u>	<u>2008-09</u>
a) Salaries	Rs. 6,00,000.00	Rs.6, 00,000.00
b) Gratuity (Provision made)	Rs. 28,846.00	Rs. 28,846.00

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

**13. Statistical Data**

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

\*Installed capacity as certified by management.

**(B) PRODUCTION**

<u>Class of Goods</u>	<u>Unit</u>	<u>2009-10</u>	<u>2008-09</u>
Lager Beer	Cases	NIL	21120
Strong Beer	Cases	<u>2555143</u>	<u>631928</u>
		<u>2555143</u>	<u>653048</u>



(C) SALES*		2009-10		2008-09	
Class of Goods	Unit	Qty.	Rs.	Qty.	Rs.
Lager Beer	Cases	33753	0.00	21120	4295042.00
Strong Beer	Cases	2556000	475862446.00	683444	148395797.90
		<u>2589753</u>	<u>475862446.00</u>	<u>704564</u>	<u>152690839.90</u>

\* Includes breakage, shortage, drainage and samples etc.

(D) OPENING & CLOSING STOCKS

Class Of Goods	Unit	31.03.10		31.03.09		31.03.08	
		Qty.	Rs.	Qty.	Rs.	Qty.	Rs.
Lager Beer	Cases	7954	159080.00	41707	834140.00	41707	2710955.00
Strong Beer	Cases	<u>24548</u>	<u>3097485.07</u>	<u>25405</u>	<u>561531.80</u>	<u>76921</u>	<u>10599673.23</u>
		<u>32502</u>	<u>3256565.07</u>	<u>67112</u>	<u>1395671.80</u>	<u>118628</u>	<u>13310628.23</u>

(E) CONSUMPTION OF RAW MATERIALS

	2009-10		2008-09	
	Qty. (Kg.)	Rs.	Qty. (Kg.)	Rs.
Malt	2524059	49550089.59	653450	13408476.24
Rice	1600496	22283422.25	350037	4643354.98
Sugar	404476	11922353.49	127100	2386910.20
HOPS& Others		<u>19003314.06</u>		<u>6626360.57</u>
		<u>102759179.39</u>		<u>27065101.99</u>

(F) CONSUMPTION

(i) Raw Materials	2009-10		2008-09	
	%	Value in Rs.	%	Value in Rs.
Imported	NIL	NIL	NIL	NIL
Indigenous	<u>100.00</u>	<u>102759179.39</u>	<u>100.00</u>	<u>27065101.99</u>
	<u>100.00</u>	<u>102759179.39</u>	<u>100.00</u>	<u>27065101.99</u>

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

(G) EXPENDITURE IN FOREIGN CURRENCY

	2009-10	2008-09
	Rs.	Rs.
Travelling	88050.00	489245.00
Education Exp	3555741.26	NIL

14 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.

15 The company had purchased assets on hire purchase amounting to Rs.763846  
 Amount payable as on 31st March 10 418849.34 (previous year Rs.722309.96)  
 Amount payable within one year \*236124.00(previous year Rs.\*439524.00)  
 • including interest



16. 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. Shantanu 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 2009-2010 :

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	—	9,78,892.00
3.	Repayment of unsecured Loans	—	—
4.	Director's sitting fees	4,000.00	—
5.	Payment received against advance	—	9,78,892.00
6.	Outstanding Balances as on 31.03.2010		
	- Loans and Advances given	—	—
	- Unsecured Loan	—	—
	- Creditors	1,05,500.00	68300.00

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

S.No	Nature of Transaction	Key Management Personnel and Relatives	Enterprises in which Key Management Person or his relatives are able to exercise or 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



**17. Loans and Advances in the nature of loans:**

	Outstanding as on <u>31.03.10</u>	Maximum Balance outstanding during <u>the year</u>
(i) Payments to Employees where there is No Interest or Interest below section 372A of Companies Act (Previous Year)	175250.00 (108448.00)	175250.00 (128245.00)
(ii) To Directors' interested parties: Kanakdhara Trade & Industries Ltd. (Previous Year)	NIL (334063.00)	347048.00 (334063.00)

**18 The breakup of net deferred tax asset as on 31.03.2010 is provided below:**

	As at 31st March 10	(Rs. in lacs) as at 31st March 09
<b><u>Deferred Tax Assets</u></b>		
Unabsorbed Losses & Depreciation	178.82	255.08
Provision Disallowable u/s 43 B	11.95	11.95
Provision for Diminution on Investment	0.00	1.81
Provision for Gratuity	1.36	1.23
<b><u>Deferred Tax Liability</u></b>		
Difference in Net Book Values of Fixed Assets as per Accounts & Tax	(175.12)	(242.43)
<b>Net Deferred Tax Asset</b>	<b>17.01</b>	<b>27.64</b>

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.

19 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

**MUKUL BAGLA**  
Partner

**Raman Kumar**  
Company Secretary

**R.K. Bagrodia**  
Chairman-Cum-Managing Director

Place : New Delhi.  
Date: 14 AUGUST 2010

**Sushil Kumar Jain**  
Director





## BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

### I. Registration Details

Registration No.	14556	State Code	17
Balance Sheet Date	310310	Date Month Year	

### II. Capital Raised during the year (Amount in 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	487860	Total Assets	487860
<b>Sources of Funds</b>			
Paid up Capital	276689	Reserves & Surplus	27111
Secured Loans	003260	Unsecured Loans	049307
Current liabilities & Provision	155893		
<b>Application of Funds</b>			
Net Fixed Assets	092305	Investments	001934
Current Assets	390939	Misc. Expenditure	00000
Accumulated Losses	000980	Deferred Tax Assets (Net)	01702

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

Turnover (including other income)	540739	Total Expenditure	530951
Profit/ (Loss) Before Tax	9788	Profit (Loss) After Tax	7201
Earning Per Share (in Rs.)	0.026	Dividend Rate %	NIL

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

Item Code No.	2203		
Product Description	BEER	MADE	FROM MALT

For O.P. Bagla & CO  
Chartered Accountants

Mukul Bagla  
Partner

Place: New Delhi  
Date: 14 AUGUST 2010

For behalf of the Board

Raman kumar  
Company Secretary

R. K. Bagrodia  
Chairman-cum-Managing Director

Sushil Kumar Jain  
Director

**Cash flow statement for the year ended 31st March,2010**

	For the year ended 31st March,2010	(Amount in Rupees) For the year ended 31st March,2009
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit before tax & extraordinary items	9788070.84	(164400.41)
Adjustment for :		
Depreciation	19674856.04	20809180.02
Prior Period Expenses	(23250.00)	(7350.00)
Loss on sale of Fixed Assets	69490.00	0.00
Interest paid	0.00	0.00
Interest received	(8437919.00)	(3751146.00)
Bad debts written off	0.00	7131577.95
Provision For Diminution in vale of Investment	(586120.00)	586120.00
Operating profit before working capital changes	20485127.88	24603981.56
Adjustment for :		
Trade & Other receivables	(96054200.30)	(120361994.83)
Inventories	3679766.76	5931572.32
Trade payables	65065068.22	(16973000.04)
Cash generated from Operations	(6824237.44)	(106799440.99)
Taxes paid	1768786.00	(192412.00)
Cash flow before extra ordinary items	(5055451.44)	(106991852.99)
Net Cash from Operating Activities	(5055451.44)	(106991852.99)
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
(Increase)/Decrease in Fixed Assets/CWIP(in Terms of Cash)	(7,802,380.00)	(6578282.00)
(Purchase)/sale of Investments	0.00	(50000.00)
Shares issue	0.00	107384000.00
Interest received	8437919.00	3751146.00
Sale of Fixed Assets	87500.00	0.00
Net Cash used In Investing Activities	723039.00	104506864.00
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from borrowings	1393989.69	350437.05
Repayments of borrowings	0.00	0.00
Interest Paid	0.00	0.00
Net Cash used in Financing activities	1393989.69	350437.05
<b>Net Increase/(Decrease) in Cash &amp; Cash equivalent(A+B+C)</b>	(2938422.75)	(2134551.94)
Cash and Cash Equivalents at the beginning of the year	4016543.28	6151095.22
Cash and Cash Equivalents at the end of the year	1078120.53	4016543.28

**Notes:**

1. Cash and Cash Equivalents Includes:

Cash	163843.67	727114.67
Balance with Scheduled Banks	914276.86	3289428.61
Total	1078120.53	4016543.28

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 and on behalf of the Board

MUKUL BAGLA  
Partner

Raman Kumar  
Company Secretary

R. K. Bagrodia  
Chairman - cum- Managing Director

Place : New Delhi.  
Date: 14 AUGUST 2010

Sushil Kumar Jain  
Director

# WINSOME BREWERIES LIMITED

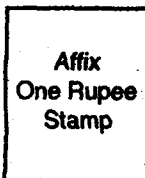
Regd. Office: Vill. Sarehkhurd, Tehsil, Tijara, Distt. Alwar (Rajasthan)

FOLIO NO.	
NO. OF SHARES HELD	

DP-.ID	
CLIENT-ID	

## PROXY FORM

I/WE..... of..... Being a Member/Members of the above named Company hereby appoint Mr./Mrs..... Or failing him Mr./Mrs..... as my/our proxy to vote for me/us on my/our behalf at the Eighteenth Annual General Meeting of the Company to be held on Thursday the 30<sup>th</sup> September, 2010 at 11.00 a. m. and any adjournment thereof.



Signature this..... day at.....2010

## Notes:

1. The form should be signed by the shareholder across the stamp as per the specimen signature.
2. The proxy form duly completed must be deposited at the Regd. Office of the Company not less than 48 hours before the time fixed for the Meeting.

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# WINSOME BREWERIES LIMITED

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

FOLIO NO.	
NO. OF SHARES HELD	

DP. -ID	
CLIENT-ID	

## ATTENDANCE CARD

I/We hereby record my/our presence at the Eighteenth Annual General meeting of Company to be held at the Registered office of the Company on Thursday, the 30<sup>th</sup> September, 2010 at 11.00 a.m.

NAME OF THE SHAREHOLDER (IN BLOCK LETTERS)	
SIGNATURE OF THE SHAREHOLDER	
NAME OF THE PROXY	
SIGNATURE OF THE PROXY	

## Notes:

1. Please complete this Attendance Card and hand it over at the venue of the meeting.
2. Admission will be strictly permitted to shareholders/valid proxy holders.
3. Joint shareholders may obtain additional card on request.

## BOOK POST

If undelivered, please return to :

**WINSOME BREWERIES LIMITED**

Vill. Sarekhurd, Teh. Tijara, Distt. Alwar  
Rajasthan.