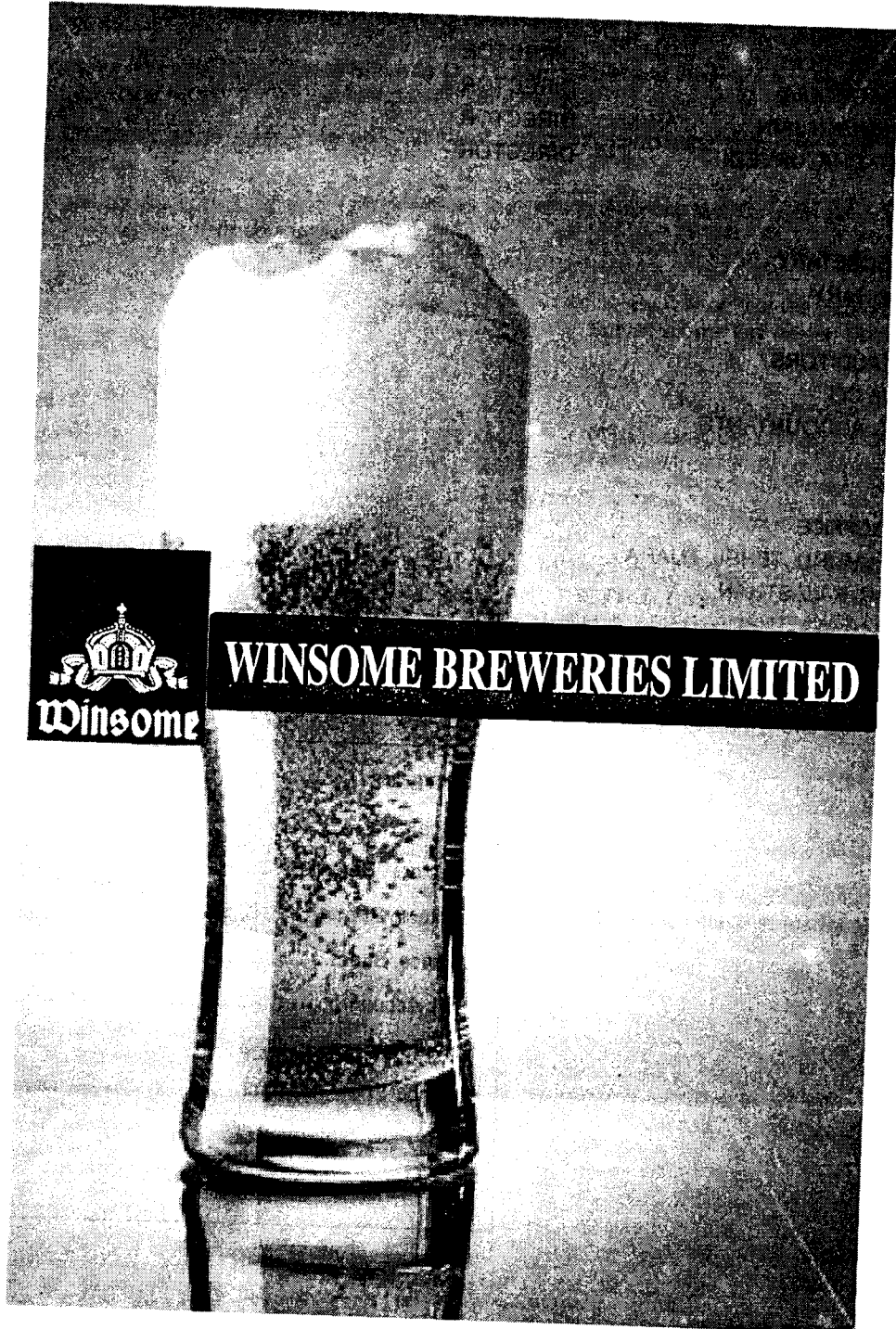


**19th
ANNUAL REPORT
2010-2011**



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

VIDHI CHAUDHARY

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 Nineteenth Annual General Meeting of the members of the company M/s Winsome Breweries Limited will be held on Friday, the 30th day of September, 2011 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 2011 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 Mr. Pradeep Chaturvedi who retires by rotation and being eligible offers himself 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.

By Authority of the Board
For Winsome Breweries Limited

Place: New Delhi
Date: 25, August 2011

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

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. 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 26th September 2011 to 30th September 2011 (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.
 - (III) To provide the company or Its Registrar the details of their E-mail address.
4. Members desirous of having any information on Accounts are requested to address their Queries to the Company Secretary latest by 20th September 2011 so that the requisite information is available at the meeting.

**DIRECTOR'S REPORT**

TO THE MEMBERS,

Your Directors are pleased to present their Nineteenth Annual Report together with the Audited Financial Statement of your Company for the year ended on 31st March 2011.

FINANCIAL RESULTS :

| | <u>2010- 2011</u> | <u>(Amount in Rs.)</u> <u>2009-2010</u> |
|---|-------------------|--|
| Sales | 367795447.20 | 475862446.00 |
| Profit/(loss) before Depreciation | 29721419.46 | 29462926.88 |
| Less Depreciation | 19776549.50 | 19674856.04 |
| Net Profit/ (Loss) for the year | 9944869.96 | 9788070.84 |
| Adjustments | | |
| 1. Prior Period Expenses | <u>0.00</u> | <u>23250.00</u> |
| Profit/(Loss) available for appropriation | 9944869.96 | 9764820.84 |
| Provision for Tax | | |
| - Current Tax | 1850000.00 | 1510000.00 |
| - Deferred Tax | 3328491.00 | 1061734.94 |
| - Income Tax Adjustment | 163.00 | 0.00 |
| - Fringe Benefit Tax adjustment | 0.00 | (7843.00) |
| Net Profit/(Loss) after Tax | <u>4766215.96</u> | <u>7200928.90</u> |

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 decreased from Rs. 4758.62 Lac to Rs. 3677.95 Lac and still earned profit of Rs. 99.45 Lac against last year profit of Rs. 97.88 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, Mr. Pradeep Chaturvedi, 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:

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 as 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: 25 August 2011

(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 stringer international quality standards on a sustainable basis on account of our R & D efforts.

3. CAPITAL EXPENDITURE:

| | year ended 31.03.2011 | year ended 31.03.2010 |
|--|-----------------------|-----------------------|
| | (in Rs.) | (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 31.03.2011 | Year ended 31.03.2010 |
|---------------------------------|-----------------------|-----------------------|
| | (in Rs.) | (in Rs.) |
| a) Foreign Exchange Earning | — | — |
| b) Foreign Exchange outgo | | |
| i) Capital goods | — | — |
| ii) Raw materials | — | — |
| iii) Packing materials & stores | — | — |
| iv) Travelling expenses | 864099.00 | 88050.00 |
| (v) Education Expenses | 0.00 | 1779888.26 |

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: 25 August 2011

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



CORPORATE GOVERNANCE

The company's compliance of Corporate Governance for the financial year April 1, 2010 to March 31, 2011 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 2011 is as under :

| Name of Director | Executive/ Independent/ Non Executive | No. of Board Meetings Attended | Attendance at Previous AGM as on 30.09.2010 | *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 | 9 | Present | 3 | 9 | — | — |
| Mrs. Sneha Bagrodia | Non- Executive | 9 | Present | 2 | 2 | — | — |
| Sushil Kumar Jain | Independent Director | 6 | Present | 2 | 22 | 3 | — |
| Pradeep Chaturvedi | Independent Director | 6 | Present | — | — | — | 3 |
| Ved Pal Choudhary | Independent Director | 4 | Present | 1 | — | — | 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 2010, 31st July 2010, 13th August, 2010, 14th August, 2010, 16th August, 2010, 27th August, 2010, 30th October, 2010, 31st January, 2011 and 24th March, 2011.

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 |
| Ved Pal Choudhary | 2 |

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 |
| Ved Pal Choudhary | 2 |

The total number of complaints received and replied to the satisfaction of the shareholders during the year under review were 4 and from Stock Exchange were 3 and the NSDL were NIL and SEBI were NIL. 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 Mr. Ved Pal Choudhary.

WINSOME BREWERIES LIMITED



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 |
|--------------------|--------------------------|
| Sushil Kumar Jain | 4 |
| Pradeep Chaturvedi | 4 |
| Ved Pal Choudhary | 2 |

REMUNERATION PAID TO DIRECTOR IN THE YEAR 2010-11

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. Sneh Bagrodia amounts to: Rs. 4,20,000.00

Sitting fees paid to Non- Executive Directors:

| Sl. No. | Name of the Director | Sitting fees (Rs.) | Commission (Rs.) | Total (Rs.) |
|---------|----------------------|--------------------|------------------|-------------|
| 1. | V. P. Choudhary | 3,000/- | — | 3,000/- |
| 2 | Sneh Bagrodia | 3,000/- | — | 3,000/- |
| 3 | Sushil Kumar Jain | 2,000/- | — | 2,000/- |
| 4 | Pradeep Chaturvedi | 1,000/- | — | 1,000/- |

ANNUAL GENERAL MEETINGS

Location and time for the last three AGM's:

| Year | Date | Venue | Time |
|-----------|------------|--|------------|
| 2007-2008 | 30.09.2008 | Village Sarekhurd, Tehsil Tijara, Distt. Alwar, Rajasthan. | 11.00 A.M. |
| 2008-2009 | 30.09.2009 | —Same— | 11.00A.M. |
| 2009-2010 | 30.09.2010 | —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 2010-11, the company has related party transactions as is envisaged under the Corporate Governance code which have been mentioned in Note 14 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 "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 Nineteenth Annual General Meeting is scheduled to be held on Friday the 30th day of Sept. 2011 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 26th Sept. 2011 (Monday) to 30th Sept 2011 (Friday), 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, 4th Floor, Kamala Mill Compound, Lower Parel, Mumbai-13.

2. Central Depositories Services Limited

P. J. Towers, 28th 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 31st March, 2011

| No. of shares | No. of shareholders | % of total shareholders | No. of shares | % of total shares |
|--------------------|---------------------|-------------------------|--------------------|-------------------|
| 01 to 5000 | 10441 | 78.47 | 37,77,554 | 13.65 |
| 5001 to 10000 | 2141 | 16.09 | 17,77,264 | 6.42 |
| 10001 to 20000 | 448 | 3.37 | 6,92,178 | 2.50 |
| 20001 to 30000 | 84 | 0.63 | 2,19,057 | 0.79 |
| 30001 to 40000 | 47 | 0.35 | 1,69,243 | 0.61 |
| 40001 to 50000 | 37 | 0.28 | 1,73,551 | 0.63 |
| 50001 to 1,00,000 | 47 | 0.35 | 3,30,178 | 1.19 |
| 1,00,001 and above | 61 | 0.46 | 2,05,29,875 | 74.20 |
| Total | 13,597 | 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 | 33,600 | 0.12 |
| Banks, Financial Institution & Insurance Companies | 400 | 0.00 |
| FIs | 0 | 0.00 |
| Private Corporate bodies | 68,51,698 | 24.76 |
| Indian Public | 76,14,594 | 27.52 |
| NRIs/ OCBs | 5,46,610 | 1.98 |
| Any Other | 27198 | 0.10 |
| 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 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. 32.06% of the total shares have been dematerialised upto 31st March, 2011.

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: 16 August, 2011

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 31st March, 2011 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: 16 AUGUST 2011

AUDITORS' REPORT

TO THE MEMBERS OF WINSOME BREWERIES LIMITED

We have audited the attached Balance Sheet of Winsome Breweries Limited as at 31st March, 2011 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 (TheAct) 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. 2 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. 2 .**
- 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 31.3.2011 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. 5 (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. 4).**
iii) **Note No. 7 regarding contingent liability taken on management estimation basis and our inability to comment on correctness and completeness of the same.**
- (II) i) **Non-Provisioning of depreciation on certain fixed assets amounting to Rs. 3,56,73,039.70 for the earlier years (Note No. 1).**
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. 2), 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 (iii) 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, debit balance in Profit and Loss Account would have been Rs. 5,00,18,452.76 (as against the reported credit figure of Rs. 37,86,397.56), Total Fixed Assets would have been Rs. 4,78,70,676.95 (as against the reported figure of Rs. 8,35,43,716.65) and unsecured loan would have been Rs. 6,69,03,257.26 (as against the reported figure of Rs. 4,87,71,446.64).**
- 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, 2011; 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: 16 AUGUST 2011

(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 31st March, 2011)

- 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 applicabie
 - (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 2011 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 till date |
| | | 267036.39 | 1999-00 | 15 th July 1999 | |

As informed to us , Employees' State Insurance is not applicable to the Comapany.

- (b) According to the records of the company and the information and explanations given tu 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) The company is not having any accumulated losses as on 31-03-2011
- xi) According to the information and explanations given to us, there is no default in repayment of dues of Financial Institutions and Banks.
- 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: 16 AUGUST 2011

(MUKUL BAGLA)
PARTNER
M. No. 94156



Balance Sheet as at 31st March 2011

| | SCHEDULE | As At 31.3.2011 Amount in Rs | As At 31.3.2010 Amount in Rs. |
|---|----------|------------------------------------|-------------------------------------|
| I. SOURCES OF FUNDS | | | |
| 1. Shareholders' Fund | | | |
| Share Capital | 1 | 276689000.00 | 276689000.00 |
| 2. Reserves & Surplus | 2 | 6496985.56 | 2710588.00 |
| 3. Loan Funds | | | |
| Secured Loans | 3 | 976934.64 | 3259818.41 |
| Unsecured Loans | 4 | 48771446.64 | 49306676.40 |
| Total | | 332934366.84 | 331966082.81 |
| II. APPLICATION OF FUNDS | | | |
| 1. Fixed Assets | 5 | | |
| a) Gross Block | | 223116404.24 | 221682395.24 |
| b) Less Depreciation | | (152998384.39) | (133597605.89) |
| c) Net Block | | 70118019.85 | 88084789.35 |
| d) Capital Work-in-Progress | | 13425696.80 | 4220000.00 |
| | | 83543716.65 | 92304789.35 |
| 2. Investments | 6 | 194000.00 | 1934000.00 |
| 3. Deferred Tax Assets (Net) | | (1626641.98) | 1701849.02 |
| 4. Current Assets, Loans & Advances | | | |
| Inventories | 7 | 75631795.21 | 34810777.79 |
| Sundry Debtors | 8 | 41607427.09 | 93468065.85 |
| Cash & Bank Balances | 9 | 1119895.86 | 1078120.53 |
| Loans & Advances | 10 | 277315005.72 | 261582023.12 |
| | | 395674123.88 | 390938987.29 |
| Less : Current Liabilities & Provisions | | | |
| Current Liabilities | 11 | 142168303.33 | 153942822.87 |
| Provisions | 12 | 2682528.38 | 1950538.38 |
| Net Current Assets | | 250823292.17 | 235045626.04 |
| 5. Profit & Loss Account | | 0.00 | 979818.40 |
| TOTAL | | 332934366.84 | 331966082.81 |
| Accounting Policies and Notes on Accounts As per our report of even date | 20 | | |

For O.P.BAGLA & CO.
Chartered Accountants

Vidhi Chaudhary
Company Secretary

For and on behalf of the Board

R.K. Bagrodia
Chairman-cum-Managing Director

MUKUL BAGLA
Partner
Place New Delhi.
Date : 16 AUGUST 2011

Sushil Kumar Jain
Director



PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

| SCHEDULE | For the year ended 31.03.2011 Amount in Rs. | For the year ended 31.03.2010 Amount in Rs. |
|--|---|---|
| INCOME | | |
| Sales | 367795447.20 | 475862446.00 |
| Other Income | 13 51591105.76 | 64876330.38 |
| TOTAL | <u>419386552.96</u> | <u>540738776.38</u> |
| EXPENDITURE | | |
| Raw Material Consumption | 73056947.94 | 102759179.39 |
| Packing Material Consumption | 191063643.18 | 224299737.03 |
| (Increase)/Decrease in Stock | 14 (5859330.40) | 5683459.73 |
| Manufacturing Expenses | 15 62100286.38 | 84343174.27 |
| Personnel Expenses | 16 21214629.00 | 27839839.76 |
| Administration and Other Expenses | 17 14372182.50 | 26897617.52 |
| Selling and Distribution Expenses | 18 33589978.00 | 34652943.00 |
| Financial Charges | 19 126796.90 | 4799898.80 |
| Depreciation | 5 19776549.50 | 19674856.04 |
| TOTAL | <u>409441683.00</u> | <u>530950705.54</u> |
| Profit (Loss) for the year | 9944869.96 | 9788070.84 |
| Adjustments- | | |
| 1) Prior Period Expenses | 0.00 | 23250.00 |
| Profit / (Loss) available for appropriation | 9944869.96 | 9764820.84 |
| Less Provision for Tax | | |
| :Current Tax | 1850000.00 | 1510000.00 |
| :Deferred Tax | 3328491.00 | 1061734.94 |
| : Income Tax Adjustment | 163.00 | 0.00 |
| Fringe Benefit Tax Adjustment | 0.00 | (7843.00) |
| Profit / (Loss) after Tax | 4766215.96 | 7200928.90 |
| Balance brought forward from previous year | (979818.40) | (8180747.30) |
| Balance transferred to Balance Sheet | 3786397.56 | (979818.40) |
| Earnings Per Share(EPS) Par Value Rs.10/- each Basic/Diluted | 0.17 | 0.26 |
| No. of Shares used in computing EPS | 27668900 | 27668900 |
| Accounting policies & Notes on Accounts | 20 | |
| As per our report of even date | | |
| For O.P.BAGLA & CO. Chartered Accountants | Vidhi Chaudhary Company Secretary | For and on behalf of the Board R.K. Bagrodia Chairman-cum-Managing Director |
| MUKUL BAGLA Partner Place New Delhi. Date : 16 AUGUST 2011 | | Sushil Kumar Jain Director |



| | As At 31.03.2011 Amount in Rs. | As At 31.03.2010 Amount in Rs. |
|--|--------------------------------------|--------------------------------------|
| SCHEDULE 1 : SHARE CAPITAL | | |
| AUTHORISED | | |
| 2,77,50,000 Equity Shares of Rs.10/- each | 277500000.00 | 277500000.00 |
| ISSUED, SUBSCRIBED AND PAID UP | | |
| 27668900 Equity Shares of Rs.10/- each | 276689000.00 | 276689000.00 |
| TOTAL | <u>276689000.00</u> | <u>276689000.00</u> |
| SCHEDULE 2 : RESERVES & SURPLUS | | |
| Capital Reserve | 2710588.00 | 2710588.00 |
| (On re-issue of forfeited equity shares) | | |
| Profit & Loss A/c | 3786397.56 | 0.00 |
| TOTAL | <u>6496985.56</u> | <u>2710588.00</u> |
| SCHEDULE 3 : SECURED LOANS | | |
| Cash Credit Loan from Scheduled Bank | 0.00 | 2840969.07 |
| (Secured against hypothecation of Stocks & Debtors of the Company and guaranteed by two Directors) | | |
| Hire Purchase Outstanding | 976934.64 | 418849.34 |
| (Against hypothecation of vehicle purchased under hire purchase scheme) | | |
| TOTAL | <u>976934.64</u> | <u>3259818.41</u> |
| SCHEDULE 4 : UNSECURED LOANS | | |
| From Others (Note No. 2) | 48771446.64 | 49306676.40 |
| TOTAL | <u>48771446.64</u> | <u>49306676.40</u> |

SCHEDULE 5 : FIXED ASSETS

| S No. | PARTICULARS | Amount in Rs. | | | | | | | | | |
|-------|---|---------------------|-------------------|------------------|---------------------|---------------------|--------------------|------------------|---------------------|--------------------|--------------------|
| | | GROSS BLOCK | | | | DEPRECIATION | | | | NET BLOCK | |
| | | As at 1.4.2010 | Addition | Sale/Adj. | As at 31.3.2011 | As at 1.4.2010 | DEP.FOR THE YEAR | SALE/ADJ. | UPTO 31.3.2011 | As at 31.3.2011 | As at 31.3.2010 |
| 1 | Freehold Land | 2707476.00 | 0.00 | 0.00 | 2707476.00 | 0.00 | 0.00 | 0.00 | 0.00 | 2707476.00 | 2707476.00 |
| 2 | Building | 39955137.26 | 0.00 | 0.00 | 39955137.26 | 12355043.52 | 1334501.58 | 0.00 | 13689545.10 | 26265592.16 | 27600093.74 |
| 3 | Plant & Machinery | 155137784.89 | 637753.00 | 0.00 | 155775537.89 | 105048742.99 | 16173785.98 | 0.00 | 121222528.97 | 34553008.92 | 50089041.90 |
| 4 | Electric Installation | 14223092.08 | 0.00 | 0.00 | 14223092.08 | 9829987.33 | 1470667.72 | 0.00 | 11300655.05 | 2922437.03 | 4393104.75 |
| 5 | Motor Vehicles | 6897943.00 | 1148685.00 | 525000.00 | 7521628.00 | 3976878.96 | 637657.78 | 375771.00 | 4238765.74 | 3282862.26 | 2921064.04 |
| 6 | Furniture, Fixtures & Office Equipments | 2760962.01 | 172571.00 | 0.00 | 2933533.01 | 2386953.09 | 159936.44 | 0.00 | 2546889.53 | 386643.48 | 374008.92 |
| | TOTAL | 221682395.24 | 1959009.00 | 525000.00 | 223116404.24 | 133597605.89 | 19776549.50 | 375771.00 | 152998384.39 | 70118019.85 | 88084789.35 |
| | Previous Year | 218494639.00 | 9972052.00 | 6784295.76 | 221682395.24 | 114203759.85 | 19674856.04 | 281010.00 | 133597605.89 | 86084789.35 | 104290879.15 |

SCHEDULE 6 : INVESTMENTS (AT COST)

LONG TERM-UNQUOTED*

| | | |
|-----------------------------|-----------|-----------|
| Indira Vikas Patra | 1000.00 | 1000.00 |
| National Saving Certificate | 133000.00 | 133000.00 |
| Shares | 60000.00 | 50000.00 |

CURRENT-QUOTED

| | | |
|-------------------------------|------------------|-------------------|
| Units of various Mutual funds | 0.00 | 1750000.00 |
| TOTAL | <u>194000.00</u> | <u>1934000.00</u> |

* 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 31.03.2011 Amount in Rs. | As At 31.03.2010 Amount in Rs. |
|---|--------------------------------------|--------------------------------------|
| SCHEDULE 7 : INVENTORIES (As certified by the Management) | | |
| (At lower of cost and Net Realisable Value) | | |
| --- Raw Materials | 7774401.32 | 9770201.44 |
| --- Stores & Spares (including packing materials) | 49508381.42 | 12550894.28 |
| --- Stock in Process | 9943967.00 | 9233117.00 |
| — Finished Goods | 8405045.47 | 3256565.07 |
| TOTAL | 75631795.21 | 34810777.79 |
| SCHEDULE 8 : SUNDRY DEBTORS | | |
| Sundry Debtors | | |
| Debts outstanding for a period exceeding six months | | |
| --- Considered Doubtful | 113079.00 | 0.00 |
| Other Debts | | |
| — Considered Good | 41494348.09 | 93468065.85 |
| | 41607427.09 | 93468065.85 |
| Secured | | |
| Unsecured | 3500000.00 | 3500000.00 |
| | 38107427.09 | 89968065.85 |
| TOTAL | 41607427.09 | 93468065.85 |
| SCHEDULE 9 : CASH AND BANK BALANCES | | |
| Cash/Cheques in hand | 628879.67 | 163843.67 |
| Balances with Scheduled Bank | | |
| -In Current Accounts | 431016.19 | 854276.86 |
| -In Deposit Account * | 60000.00 | 60000.00 |
| TOTAL | 1119895.86 | 1078120.53 |
| 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 | 136095523.43 | 88926321.83 |
| Loan Given | 130858085.00 | 159074246.00 |
| Advance Income Tax | 4115628.00 | 4057499.00 |
| Interest accrued | 228467.23 | 228467.23 |
| Prepaid Expenses | 2117200.00 | 6036087.00 |
| Security Deposit | | |
| —With Govt. Deptt. | 3360102.06 | 2719402.06 |
| —With Others | 540000.00 | 540000.00 |
| TOTAL | 277315005.72 | 261582023.12 |
| SCHEDULE 11 : CURRENT LIABILITIES | | |
| Sundry Creditors | | |
| Due to SSI units* | 0 | 0.00 |
| Due to Others | 118476833.10 | 137854635.53 |
| Advance from Customers | 33.01 | 103653.67 |
| Other Liabilities | 18052935.22 | 10271031.67 |
| Trade Deposits | 5638502.00 | 5713502.00 |
| TOTAL | 142168303.33 | 153942822.87 |
| * To the extent identifiable from available information | | |
| SCHEDULE 12 : PROVISIONS | | |
| Provision for income Tax | 1850000.00 | 1510000.00 |
| Provision for Gratuity | 832528.38 | 440538.38 |
| | 2682528.38 | 1950538.38 |

| | For the year ended 31.03.2011 | For the year ended 31.03.2010 |
|---|----------------------------------|----------------------------------|
| | Amount in Rs. | Amount in Rs. |
| SCHEDULE 13 : OTHER INCOME | | |
| Micellaneous Sales | 6206866.00 | 7213942.00 |
| Interest Income (TDS Rs.913076 Previous Year Rs. 920969) | 9130764.00 | 8437919.00 |
| Miscellaneous Income (TDS Rs.655216 Previous Year Rs. 970326) | 34951803.00 | 48516260.00 |
| Liabilities no longer required written back | 0.00 | 708209.38 |
| Profit on sale of Investments | 766443.00 | 0.00 |
| Exchange Fluctuation | 535229.76 | 0.00 |
| TOTAL | 51591105.76 | 64876330.38 |
| SCHEDULE 14 : INCREASE/(DECREASE) IN STOCK | | |
| Closing Stock : | | |
| — Finished Goods | 8405045.47 | 3256565.07 |
| — Stock in Process | 9943967.00 | 9233117.00 |
| TOTAL (A) | 18349012.47 | 12489682.07 |
| Opening Stock : | | |
| — Finished Goods | 3256565.07 | 1395671.80 |
| — Stock in Process | 9233117.00 | 16777470.00 |
| TOTAL (B) | 12489682.07 | 18173141.80 |
| Increase/ (Decrease) in Stocks (A-B) | 5859330.40 | (5683459.73) |
| SCHEDULE 15 : MANUFACTURING EXPENSES | | |
| Stores & Spares Consumption | 5769351.96 | 5441524.41 |
| Power & Fuel | 23283768.42 | 33062382.86 |
| Sealing Fees | 33047166.00 | 45839267.00 |
| TOTAL | 62100286.38 | 84343174.27 |
| SCHEDULE 16 : PERSONNEL EXPENSES | | |
| Salaries, Wages & Gratuity | 20523462.00 | 23642372.50 |
| Contribution to Provident Fund | 106280.00 | 113281.00 |
| Staff Welfare | 584887.00 | 4084186.26 |
| TOTAL | 21214629.00 | 27839839.76 |
| SCHEDULE 17 : ADMINISTRATION & OTHER EXPENSES | | |
| Licence Fees, Duty, Rates & Taxes | 3465529.00 | 3662985.00 |
| Telephone Expenses | 411320.50 | 439670.27 |
| Conveyance & Travelling Expenses | 3573458.00 | 2280353.00 |
| Vehicle Running Expenses | 390683.00 | 420138.00 |
| <u>Auditor's Remuneration</u> | | |
| - as Audit Fees | 42466.00 | 42466.00 |
| - as Tax Audit Fees | 6066.00 | 6066.00 |
| Director Sitting Fees | 9000.00 | 11000.00 |
| Repairs & Maintenance : | | |
| — Plant & Machinery | 2542399.00 | 1763216.00 |
| — Others | 2518064.00 | 1535632.00 |
| Loss on sale of Vehicle | 48229.00 | 69490.00 |
| Insurance | 42651.00 | 28108.00 |
| Rent | 108000.00 | 108000.00 |
| Legal & Professional charges | 365923.00 | 1216397.00 |
| Sundry Balances Written off | 6.00 | 14580561.00 |
| Miscellaneous Expenses | 848388.00 | 733535.25 |
| TOTAL | 14372182.50 | 26897617.52 |
| SCHEDULE 18 : SELLING & DISTRIBUTION EXPENSES | | |
| Commission, Breakage & Detention Exp | 8332291.00 | 5658930.00 |
| Freight Outward | 25257687.00 | 28994013.00 |
| TOTAL | 33589978.00 | 34652943.00 |
| SCHEDULE 19 : FINANCIAL CHARGES | | |
| Interest : | | |
| --- Hire Purchase/Secured Loan | 45649.30 | 4680486.69 |
| --- Others | 51054.00 | 0.00 |
| Bank Charges | 30093.60 | 119412.11 |
| TOTAL | 126796.90 | 4799898.80 |



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. 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).
2. 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. The same shall be accounted for on actual payment if in the future.
3. The valuation of stock in process is as estimated by the Management and auditors have relied thereon.
4. 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.
5. 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.
6. 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.
7. **CONTINGENT LIABILITIES :**
(To the extent ascertained by the management)
 - i) Disputed demand/claims of Excise/Sales Tax etc. amounting to Rs. 32,94,322.00 (previous year Rs. 32,94,322.00) not provided.
 - ii) Other claim against the company not acknowledged as debt amounting Rs 34,39,480.00 (Previous year Rs. 34,39,480.00).
8. Estimated amount of contract remaining to be executed on Capital Account and not provided for (Net of advances) Rs. NIL (Previous year Rs. NIL)
9. **Managerial Remuneration – Managing Director**

| | <u>2010-11</u> | <u>2009-10</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 |

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

11. **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.

| <u>(B) PRODUCTION</u> | <u>Unit</u> | <u>2010-11</u> | <u>2009-10</u> |
|-----------------------|-------------|----------------|----------------|
| <u>Class of Goods</u> | | | |
| Lager Beer | Cases | NIL | NIL |
| Strong Beer | Cases | <u>1842094</u> | <u>2555143</u> |
| | | <u>1842094</u> | <u>2555143</u> |



| (C) SALES* | | 2010-11 | | 2009-10 | |
|----------------|-------|----------------|---------------------|----------------|---------------------|
| Class of Goods | Unit | Qty. | Rs. | Qty. | Rs. |
| Lager Beer | Cases | 1553 | 0.00 | 33753 | 0.00 |
| Strong Beer | Cases | 1821037 | 367795447.20 | 2556000 | 475862446.00 |
| | | <u>1822590</u> | <u>367795447.20</u> | <u>2589753</u> | <u>475862446.00</u> |

* Includes breakage, shortage, drainage and samples etc.

(D) OPENING & CLOSING STOCKS

| Class Of Goods | Unit | 31.03.11 | | 31.03.10 | | 31.03.09 | |
|----------------|-------|--------------|-------------------|--------------|-------------------|--------------|-------------------|
| | | Qty. | Rs. | Qty. | Rs. | Qty. | Rs. |
| Lager Beer | Cases | 6401 | 128020.00 | 7954 | 159080.00 | 41707 | 834140.00 |
| Strong Beer | Cases | 45605 | 8277025.47 | 24548 | 3097485.07 | 25405 | 561531.80 |
| | | <u>52006</u> | <u>8405045.47</u> | <u>32502</u> | <u>3256565.07</u> | <u>67112</u> | <u>1395671.80</u> |

(E) CONSUMPTION OF RAW MATERIALS

| | 2010-11 | | 2009-10 | |
|--------------|------------|--------------------|------------|---------------------|
| | Qty. (Kg.) | Rs. | Qty. (Kg.) | Rs. |
| Malt | 1851505 | 38257015.20 | 2524059 | 49550089.59 |
| Rice | 1163072 | 15196219.30 | 1600496 | 22283422.25 |
| Sugar | 237665 | 7587124.00 | 404476 | 11922353.49 |
| HOPS& Others | | <u>12016589.44</u> | | <u>19003314.06</u> |
| | | <u>73056947.94</u> | | <u>102759179.39</u> |

(F) CONSUMPTION

| (i) Raw Materials | 2010-11 | | 2009-10 | |
|-------------------|---------------|--------------------|---------------|---------------------|
| | % | Value in Rs. | % | Value in Rs. |
| Imported | NIL | NIL | NIL | NIL |
| Indigenous | <u>100.00</u> | <u>73056947.94</u> | <u>100.00</u> | <u>102759179.39</u> |
| | <u>100.00</u> | <u>73056947.94</u> | <u>100.00</u> | <u>102759179.39</u> |

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

(G) EXPENDITURE IN FOREIGN CURRENCY

| | 2010-11 | 2009-10 |
|---------------|-----------|------------|
| | Rs. | Rs. |
| Travelling | 864099.00 | 88050.00 |
| Education Exp | NIL | 3555741.26 |

12 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.

13 The company had purchased assets on hire purchase amounting to Rs.1912531.00
 Amount payable as on 31st March 11 976934.64 (previous year Rs. 418849.34)
 Amount payable within one year *544764.00 (previous year Rs.*236124.00)
 • including interest



14. 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 of Managing Director)
- (iii) Mr. Shantanu Bagrodia – (Son of Managing Director)

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 2010-2011 :

| 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 | 18,17,163.00 | _____ |
| 2. | Amount Advanced | _____ | 5,21,917.00 |
| 3. | Repayment of unsecured Loans | _____ | 68,300.00 |
| 4. | Director's sitting fees | 3000.00 | _____ |
| 5. | Payment received against advance | _____ | 5,21,917.00 |
| 6. | Outstanding Balances as on 31.03.2011 | | |
| | - Loans and Advances given | _____ | _____ |
| | - Unsecured Loan | _____ | _____ |
| | - Creditors | 1,33,864.00 | _____ |

(c) 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 or 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 |



15. Loans and Advances in the nature of loans:

| | Outstanding as on <u>31.03.11</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) | 161832.00 (175250.00) | 175532.00 (175250.00) |
| (ii) To Directors' interested parties: Kanakdhara Trade & Industries Ltd. (Previous Year) | NIL (NIL) | 22046.00 (347048.00) |

16 The breakup of net deferred tax liability as on 31.03.2011 is provided below:

| | As at 31st March 11 | (Rs. in lacs) as at 31st March 10 |
|---|------------------------|---|
| <u>Deferred Tax Liability</u> | | |
| Difference in Net Book Value of Fixed Assets as per Accounts & Tax | (125.81) | (175.12) |
| <u>Deferred Tax Assets</u> | | |
| Unabsorbed Losses & Depreciation | 95.03 | 178.82 |
| Provision Disallowable u/s 43 B | 11.94 | 11.95 |
| Provision for Gratuity | 2.57 | 1.36 |
| Net Deferred Tax Asset | (16.27) | 17.01 |

17. 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

Vidhi Chaudhary
Company Secretary

R.K. Bagrodia
Chairman-Cum-Managing Director

Place : New Delhi.
Date: 16 AUGUST 2011

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 1 1 | 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 | 4 7 9 4 1 2 | Total Assets | 4 7 9 4 1 2 |
|-------------------|-------------|--------------|-------------|

Sources of Funds

| | | | |
|---------------------------------|-------------|------------------------------|-------------|
| Paid up Capital | 2 7 6 6 8 9 | Reserves & Surplus | 6 4 9 7 |
| Secured Loans | 0 0 0 9 7 7 | Unsecured Loans | 0 4 8 7 7 2 |
| Current liabilities & Provision | 1 4 4 8 5 0 | Deferred Tax Liability (Net) | 0 1 6 2 |

Application of Funds

| | | | |
|------------------|-------------|-------------------|-------------|
| Net Fixed Assets | 0 8 3 5 4 4 | Investments | 0 0 0 1 9 4 |
| Current Assets | 3 9 5 6 7 4 | Misc. Expenditure | 0 0 0 0 0 0 |

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

| | | | |
|-----------------------------------|-------------|-------------------------|-------------|
| Turnover (including other income) | 4 1 9 3 8 7 | Total Expenditure | 4 0 9 4 4 2 |
| Profit/ (Loss) Before Tax | 9 9 4 5 | Profit (Loss) After Tax | 4 7 6 6 |
| Earning Per Share (in Rs.) | 0 . 0 1 7 | 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

For and on behalf of the Board

Mukul Bagla
Partner

Vidhi Chaudhary
Company Secretary

Place: New Delhi
Date: 16 AUGUST 2011

R. K. Bagrodia
Chairman-cum-Managing Director

Sushil Kumar Jain
Director

**Cash flow statement for the year ended 31st March,2011**

| | For the year ended 31st March,2011 | (Amount in Rupees) For the year ended 31st March,2010 |
|---|---------------------------------------|---|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net profit before tax & extraordinary items | 9944869.96 | 9788070.84 |
| Adjustment for : | | |
| Depreciation | 19776549.50 | 19674856.04 |
| Prior Period Expenses | 0.00 | (23250.00) |
| Loss on sale of Fixed Assets | 48229.00 | 69490.00 |
| Interest paid | 0.00 | 0.00 |
| Interest received | (9130764.00) | (8437919.00) |
| Provision For Diminution in vale of Investment | 0.00 | (586120.00) |
| Operating profit before working capital changes | <u>20638884.46</u> | <u>20485127.88</u> |
| Adjustment for : | | |
| Trade & Other receivables | 36127656.16 | (96054200.30) |
| Inventories | (40821017.42) | 3679766.76 |
| Trade payables | (11042529.54) | 65065068.22 |
| Cash generated from Operations | 4902993.66 | (6824237.44) |
| Taxes paid | (1850163.00) | 1768786.00 |
| Cash flow before extra ordinary items | <u>3052830.66</u> | <u>(5055451.44)</u> |
| Net Cash from Operating Activities | <u>3052830.66</u> | <u>(5055451.44)</u> |
| B CASH FLOW FROM INVESTING ACTIVITIES | | |
| (Increase)/Decrease in Fixed Assets/CWIP(in Terms of Cash) | (11,164,705.80) | (7,802,380.00) |
| (Purchase)/sale of Investments | 1740000.00 | 0.00 |
| Interest received | 9130764.00 | 8437919.00 |
| Sale of Fixed Assets | 101000.00 | 87500.00 |
| Net Cash used In Investing Activities | <u>(192941.80)</u> | <u>723039.00</u> |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Proceeds from borrowings | (2282883.77) | 1393989.69 |
| Repayments of borrowings | (535229.76) | 0.00 |
| Interest Paid | 0.00 | 0.00 |
| Net Cash used in Financing activities | <u>(2818113.53)</u> | <u>1393989.69</u> |
| Net Increase/(Decrease) in Cash & Cash equivalent(A+B+C) | 41775.33 | (2938422.75) |
| Cash and Cash Equivalents at the beginning of the year | 1078120.53 | 4016543.28 |
| Cash and Cash Equivalents at the end of the year | 1119895.86 | 1078120.53 |

Notes:

1. Cash and Cash Equivalents Includes:

| | | |
|------------------------------|-------------------|-------------------|
| Cash | 628879.67 | 163843.67 |
| Balance with Scheduled Banks | 491016.19 | 914276.86 |
| Total | <u>1119895.86</u> | <u>1078120.53</u> |

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

As per our report of even date

For O.P. BAGLA & CO
Chartered AccountantsMUKUL BAGLA
PartnerVidhi Chaudhary
Company SecretaryR. K. Bagrodia
Chairman - cum- Managing DirectorPlace : New Delhi.
Date: 16 AUGUST 2011Sushil Kumar Jain
Director

WINSOME BREWERIES LIMITED

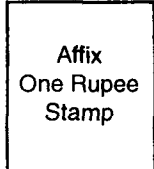
Regd. Office: Vill. Sarekhurd, Tehsil, Tijara, Distt. Alwar (Rajasthan)

| | |
|--------------------|--|
| 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 Nineteenth Annual General Meeting of the Company to be held on Friday the 30th September, 2011 at 11.00 a. m. and any adjournment thereof.



Signature this..... day at.....2011

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.

WINSOME BREWERIES LIMITED

Regd. Office: Vill. Sarekhurd, 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 Nineteenth Annual General meeting of Company to be held at the Registered office of the Company on Friday, the 30th September, 2011 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.