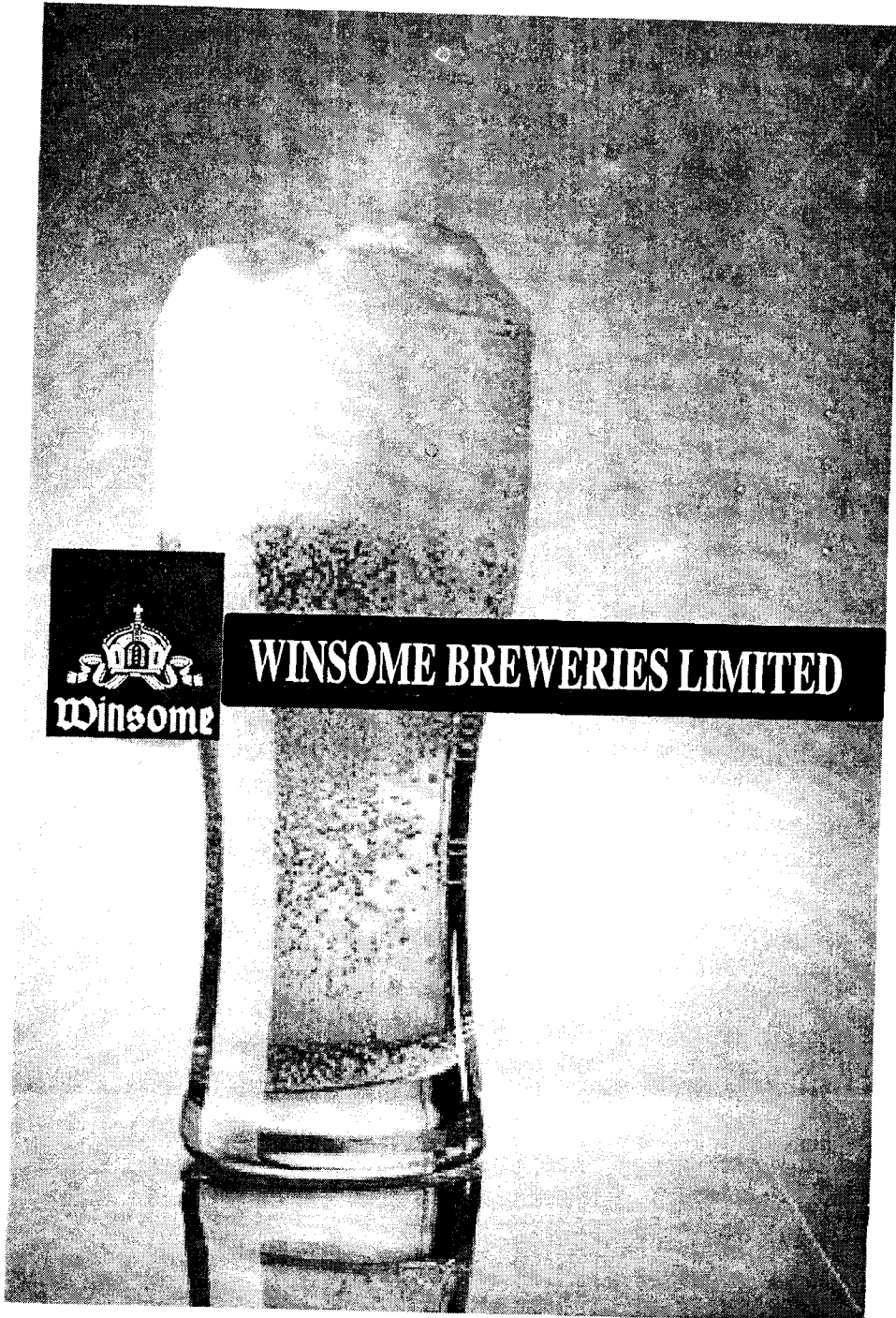


**20th  
ANNUAL REPORT  
2011-2012**



**WINSOME BREWERIES LIMITED**

**BOARD OF DIRECTORS**

SH. R. K. BAGRODIA  
SH. V.P. CHOUDHARY  
SMT. SNEH BAGRODIA  
SH. SUSHIL KUMAN JAIN  
SH. DIPANKAR SENGUPTA

CHAIRMAN-CUM-MANAGING DIRECTOR  
DIRECTOR  
DIRECTOR  
DIRECTOR  
DIRECTOR

**COMPANY SECRETARY**

HIMANSHI MADAN

**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 Twentieth Annual General Meeting of the members of the company M/s Winsome Breweries Limited will be held on Saturday, the 29<sup>th</sup> day of September, 2012 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 2012 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. Sushil Kumar Jain and Mrs. Sneha Bagrodia 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: 3rd September, 2012

(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 25<sup>th</sup> September 2012 to 29<sup>th</sup> September 2012 (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 20<sup>th</sup> September 2012 so that the requisite information is available at the meeting.

**DIRECTOR'S REPORT**

TO THE MEMBERS,

Your Directors are pleased to present their Twentieth Annual Report together with the Audited Financial Statement of your Company for the year ended on 31<sup>st</sup> March 2012.

**FINANCIAL RESULTS :****(Amount in Rs.)**  
**2010-2011****2011- 2012**

Sales	563933020.68	367795447.20
Profit/(loss) before Depreciation	30985195.58	29721419.46
Less Depreciation	19931559.30	19776549.50
Net Profit/ (Loss) for the year before Exceptional/Extraordinary items & Tax	11053636.28	9944869.96
Exceptional/Extraordinary items	<u>0.00</u>	<u>0.00</u>
Profit/(Loss) before tax	11053636.28	9944869.96
Provision for Tax		
- Current Tax	2250000.00	1850000.00
- Deferred Tax	4705258.15	3328491.00
- Income Tax Adjustment	<u>25178.00</u>	<u>163.00</u>
Net Profit/(Loss) after Tax	<u>4073200.13</u>	<u>4766215.96</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 Increased from Rs. 3677.95 Lac to Rs. 5639.33 Lac and earned profit of Rs. 110.54 Lac against last year profit of Rs. 99.45 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 and 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. Shushil Kumar Jain and Mrs. Sneh Bagrodia, Directors of the Company will retire by rotation and being eligible offer themselves 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: 3rd September, 2012

**(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 31.03.2012	year ended 31.03.2011
	(in Rs.)	(in Rs.)
a) Capital expenditure	Nil	Nil
b) Recurring	Nil	Nil
c) Total	Nil	Nil
d) Total R&D expenditure	Nil	Nil

as a percentage of total turnover.

**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 31.03.2012	Year ended 31.03.2011
	(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	649146.00	864099.00

**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

(R. K. Bagrodia)

Date: 3rd September, 2012

Chairman-Cum-Managing Director

## CORPORATE GOVERNANCE

The Company's compliance of Corporate Governance for the financial year April 1, 2011 to March 31, 2012 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 2012 is as under :

Name of Director	Executive/ Independent/ Non Executive	No. of Board Meetings Attended	Attendance at Previous AGM as on 30.09.2011	*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	8	Present	4	12	—	—
Mrs. Sneha Bagrodia	Non-Executive	8	Present	2	3	—	—
Sushil Kumar Jain	Independent Director	4	Present	1	21	3	—
Pradeep Chaturvedi	Independent Director	Nil	Present	—	—	—	3
Ved Pal Choudhary	Independent Director	5	Present	1	1	—	3
Dipankar Sengupta	Independent Director	1	New Appointment	1	5	—	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: 30<sup>th</sup> April 2011, 30<sup>th</sup> July 2011, 12<sup>th</sup> August, 2011, 29<sup>th</sup> September, 2011, 30<sup>th</sup> September, 2011, 04<sup>th</sup> October, 2011, 31<sup>st</sup> October, 2011 27<sup>th</sup> January, 2012.

### 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. Dipankar Sengupta 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:

<b>Director</b>	<b>No. of meetings attended</b>
Sushil Kumar Jain	4
Pradeep Chaturvedi	2
Ved Pal Choudhary	2
Dipankar Sengupta	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. Dipankar Sengupta & 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:

<b>Director</b>	<b>No. of meetings attended</b>
Sushil Kumar Jain	4
Pradeep Chaturvedi	2
Ved Pal Choudhary	2
Dipankar Sengupta	2

The total number of complaints received and replied to the satisfaction of the shareholders during the year under review were 3. The Company attends to the investores, 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. Dipankar Sengupta 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
Sushil Kumar Jain	2
Ved Pal Choudhary	2
Mr. Dipankar Sengupta	2

#### REMUNERATION PAID TO DIRECTOR IN THE YEAR 2011-12

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. 5,70,000.00 per annum.

Sitting fees paid to Non- Executive Directors:

Sl. No.	Name of the Director	Sitting fees (Rs.)	Commission (Rs.)	Total (Rs.)
1.	Ved Pal Choudhary	4,000/-	—	4,000/-
2.	Sneh Bagrodia	4,000/-	—	4,000/-
3.	Sushil Kumar Jain	2,000/-	—	2,000/-
4.	Pradeep Chaturvedi	—	—	—
5.	Dipankar Sengupta	1000/-	—	1000/-

#### ANNUAL GENERAL MEETINGS

Location and time for the last three AGM's:

Year	Date	Venue	Time
2008-2009	30.09.2009	Village Sarekhurd, Tehsil Tijara, Distt. Alwar, Rajasthan.	11.00 A.M.
2009-2010	30.09.2010	—Same—	11.00A.M.
2010-2011	30.09.2011	—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 2011-12, the company has related party transactions as is envisaged under the Corporate Governance code which have been mentioned in Note 37 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 Twentieth Annual General Meeting is scheduled to be held on Saturday the 29<sup>th</sup> day of Sept. 2012 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. 2012 (Tuesday) to 29<sup>th</sup> Sept. 2012 (Saturday), both days inclusive.

**Listing on stock Exchanges**

Bombay Stock Exchange Limited, Stock Exchange Building, Dalai 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 Skyline Financial Services Pvt. Ltd., D-153A, 1st Floor, Okhla Industrial Area, Phase-1, New Delhi-110020 as its Registrar and Share Transfer Agent for handling both physical and demat operations.

**Distribution of shareholding as on 31<sup>st</sup> March, 2012**

No. of shares	No. of shareholders	% of total shareholders	No. of shares	% of total shares
01 to 5000	10297	78.23	37,20,734	13.45
5001 to 10000	2123	16.13	17,62,842	6.37
10001 to 20000	463	3.52	7,20,836	2.61
20001 to 30000	96	0.73	2,49,257	0.90
30001 to 40000	42	0.32	1,49,630	0.54
40001 to 50000	35	0.27	1,63,873	0.59
50001 to 1,00,000	40	0.30	2,80,683	1.01
1,00,001 and above	66	0.50	2,06,21,045	74.53
<b>Total</b>	<b>13,162</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	1,26,80,403	45.83
Mutual Funds & UTI	33,600	0.12
Banks, Financial Institution & Insurance Companies	400	0.00
FII's	0	0.00
Private Corporate bodies	67,63,618	24.45
Indian Public	76,52,969	27.66
NRIs/ OCBs	5,37,910	1.94
<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. 32.27% of the total shares have been dematerialised upto 31<sup>st</sup> March, 2012.

**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  
Date: 3rd September, 2012

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, 2012 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: 3rd September, 2012

### AUDITORS' REPORT

#### **TO THE MEMBERS OF WINSOME BREWERIES LIMITED**

We have audited the attached Balance Sheet of Winsome Breweries Limited as at 31st March, 2012 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. 24 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. 24 .**
- 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 31.3.2012 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 Accounts :**
- (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. 28 (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. 27).**  
iii) **Note No. 30 regarding contingent liability taken on management estimation basis and our inability to comment on correctness and completeness of the same.**
- (II) i) **Short Provisioning to the extent of Rs. 57,50,000.00 in respect of income tax liability for financial year ended 31-03-2012 (Note No. 25).**  
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. 24), 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. 1,60,22,212.93 (as against the reported credit figure of Rs. 78,59,597.69), Total Income tax provision would have been Rs. 70,66,092.00 (as against the reported figure of Rs. 13,16,092.00) and unsecured loan would have been Rs. 7,40,03,243.92 (as against the reported figure of Rs. 5,58,71,433.30).**
- 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, 2012; 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: 3rd September, 2012

**(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, 2012)

- 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 2012 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	

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 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	961666.00	1996-97	Dy.Commissioner (Appeals)
Rajasthan State Excise Act	Excise duty	31147.75	1997-98	High Court
Rajasthan State Excise Act	Excise duty	3049576.00	1995-96	Revenue Board
Income Tax Act	Income Tax	5467796.00	2008-09	Commissioner of Income Tax (Appeal)

- x) The company is not having any accumulated losses as on 31-03-2012
- 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 taken term loan during the year Rs. 3,50,00,000/-
- 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: 3rd September, 2012

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



## Balance Sheet as at 31st March 2012

	Notes	As At 31.3.2012 Amount in Rs	As At 31.3.2011 Amount in Rs.
<b><u>EQUITY AND LIABILITIES</u></b>			
<b><u>Shareholders' Funds</u></b>			
Share Capital	2	276689000.00	276689000.00
Reserves & Surplus	3	10570185.69	6496985.56
		<b>287,259,185.69</b>	<b>283,185,985.56</b>
<b><u>Non-Current Liabilities</u></b>			
Long-term borrowings	4	83,756,451.85	49,284,883.08
Deferred tax Liabilities	5	6,331,900.13	1,626,641.98
Long-term Provisions	6	949,931.38	832,528.38
		<b>91,038,283.36</b>	<b>51,744,053.44</b>
<b><u>Current Liabilities</u></b>			
Trade Payables	7	94,167,768.08	113,603,570.29
Other current Liabilities	8	27,947,331.16	29,028,231.24
Short-term Provisions	9	1,316,092.00	281,708.00
		<b>123,431,191.24</b>	<b>142,913,509.53</b>
<b>Total</b>		<b>501,728,660.29</b>	<b>477,843,548.53</b>
<b><u>ASSETS</u></b>			
<b><u>Non-Current Assets</u></b>			
<b><u>Fixed Assets</u></b>			
Tangible assets	10	50,589,698.55	70,118,019.85
Capital Work-in-Progress		49,119,907.05	13,425,696.80
Non-current Investments	11	194,000.00	194,000.00
		<b>99,903,605.60</b>	<b>83,737,716.65</b>
<b><u>Current Assets</u></b>			
Inventories	12	39,020,601.18	75,631,795.21
Trade receivables	13	27,603,051.71	41,607,427.09
Cash and Bank balances	14	2,361,665.44	1,119,895.86
Short-term loans and advances	15	128,175,689.00	130,858,085.00
Other current assets	16	204,664,047.36	144,888,628.72
		<b>401,825,054.69</b>	<b>394,105,831.88</b>
<b>Total</b>		<b>501,728,660.29</b>	<b>477,843,548.53</b>

### Significant Accounting Policies 1

The accompanying Notes 1 to 40 form an integral part of these financial statements.

In terms of our report of even date annexed

For O.P.BAGLA & CO.  
Chartered Accountants

Himanshi Madan  
Company Secretary

For and on behalf of the Board

R.K. Bagrodia  
Chairman-cum-Managing Director

**MUKUL BAGLA**

Partner

Place New Delhi.

Date: 3rd September, 2012

Sushil Kumar Jain  
Director



## PROFIT &amp; LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2012

	NOTES	For the year ended 31.03.2012 Amount in Rs.	For the year ended 31.03.2011 Amount in Rs.
<b>Revenue :</b>			
Revenue from operations	17	573,300,779.93	374,002,313.20
Other Income	18	21,950,225.15	45,384,239.76
Increase/Decrease in Stock	19	(1,920,745.97)	5,859,330.40
<b>Total Revenue</b>		<b>593,330,259.11</b>	<b>425,245,883.36</b>
<b>Expenses :</b>			
Cost of Materials Consumed	20	371,002,493.68	264,120,591.12
Employee benefits Expense	21	31,189,922.00	21,214,629.00
Finance costs	22	8,335,382.75	96,703.30
Depreciation and amortization expense		19,931,559.30	19,776,549.50
Other Expenses	23	151,817,265.10	110,092,540.48
<b>Total expenses</b>		<b>582,276,622.83</b>	<b>415,301,013.40</b>
<b>Profit/Loss for the year before exceptional/ extraordinary items &amp; tax</b>		<b>11,053,636.28</b>	<b>9,944,869.96</b>
Exceptional/Extraordinary items		0.00	0.00
<b>Profit before tax</b>		<b>11,053,636.28</b>	<b>9,944,869.96</b>
<b>Tax Expense :</b>			
<b>Current tax</b>			
Current year		2,250,000.00	1,850,000.00
Earlier years		25,178.00	163.00
<b>Deferred tax</b>			
Current year		4,705,258.15	3,328,491.00
<b>Profit for the Period</b>		<b>4,073,200.13</b>	<b>4,766,215.96</b>
Basic/Diluted Earnings per equity share (Rs.)		0.15	0.17

**Significant Accounting Policies**

1

The accompanying Notes 1 to 40 form an integral part of these financial statements.

In terms of our report of even date annexed

For O.P.BAGLA &amp; CO.

Chartered Accountants

Himanshi Madan  
Company Secretary

For and on behalf of the Board

R.K. Bagrodia  
Chairman-cum-Managing Director

MUKUL BAGLA

Partner

Place New Delhi.

Date: 3rd September, 2012

Sushil Kumar Jain  
Director



**NOTE NO. 1 :****A) ACCOUNTING POLICIES****I) 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.

**II) 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.

**III) FIXED ASSETS**

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

**IV) 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.

**V) 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.

**VI) 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, on account of exchange fluctuation is adjusted as per AS-11.

**VII) INVESTMENTS**

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

**VIII) 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.

**IX) 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.

**X) CONTINGENT LIABILITIES**

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

**XI) 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.

**XII) SALES**

Sales include Insurance and Handling Charges etc. wherever applicable.

**XIII) 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.



	As At 31.03.2012 Amount in Rs.	As At 31.03.2011 Amount in Rs.
<b>2. SHARE CAPITAL</b>		
<b>Equity Share Capital</b>		
<b>Authorised</b>		
2,77,50,000 (2,77,50,000) Equity Shares of par value of Rs. 10/- each	277,500,000.00	277,500,000.00
	<u>277,500,000.00</u>	<u>277,500,000.00</u>
<b>Issued Subscribed &amp; Paid up</b>		
2,76,68,900 (2,76,68,900) Equity Share of per value of Rs. 10/- each fully paid up in cash	276,689,000.00	276,689,000.00
	<u>276,689,000.00</u>	<u>276,689,000.00</u>

- a) Company has not issued any shares during the year  
b) The holder of the equity shares are entitled to receive dividends as declared from time to time. and are entitled to voting rights proportionate to their share holding at the meetings of shareholders.  
(c) Following Shareholders hold equity shares more than 5% of the total equity shares of the company at the end of the period :-

Name of Shareholder	No. of Shares	% of Shareholding
Kanakdhara Trade & Inds. Ltd.	2,644,000	9.56%
Holmswood Management Ltd.	3,000,000	10.84%
Indfish Limited	5,734,500	20.73%
Pentstemon Florist Pvt. Ltd.	4,144,800	14.98%
Suzuki India Ltd.	1,818,451	6.57%

- (d) The company has not issued shares for a consideration other cash or bonus shares during their immediately preceding 5 years.

### 3. RESERVES AND SURPLUS

<b>Capital Reserve</b>		
As per last Balance Sheet	2,710,588.00	2,710,588.00
<b>Surplus</b>		
As per last balance sheet	3,786,397.56	(979,818.40)
Add: Net Profit after Tax transferred from Statement of Profit & Loss	4,073,200.13	4,766,215.96
	<u>7,859,597.69</u>	<u>3,786,397.56</u>
	<u>10,570,185.69</u>	<u>6,496,985.56</u>

### 4. LONG-TERM BORROWINGS

#### A. TERM LOANS

- From Banks	27,885,018.55	513,436.44
Secured		
- From Other Parties		
Unsecured	55,871,433.30	48,771,446.64
	<u>83,756,451.85</u>	<u>49,284,883.08</u>

#### NOTES :

- Term loans from financial institutions & Banks are secured by Vehicles and 1st charge on immoveable property (present) in the name of Jay Ditya Anand Developers Pvt. Ltd. situated at D-61, Okhla Industrial Area, Phase-I, New Delhi ranking pari-pasu with the charges created in favour of participating financial institutions and Banks.
- Loan from others parties are unsecured.
- There has been no continuing default on the balance sheet date in repayment of loan and interest.
- The term loans are repayable generally over a period of three to five years in installments as per the terms of the respective agreements.



	As At 31.03.2012 Amount in Rs.	As At 31.03.2011 Amount in Rs.
<b>5. DEFERRED TAX LIABILITY</b>		
As At 1st April 2011	1,626,641.98	(1,701,849.02)
Add : Additional adjustment for current year	4,705,258.15	3,328,491.00
	<b>6,331,900.13</b>	<b>1,626,641.98</b>
The net increase during the year in the deferred tax liability Rs. 47.05 Lacs (previous year increase 33.28 Lacs) has been debited to the Statement of Profit & Loss.		
<b>6. LONG TERM PROVISIONS</b>		
Provision for Gratuity Obligation		
As per last balance sheet	832,528.38	440,538.38
Additions during the year	117,403.00	391,990.00
<b>Total</b>	<b>949,931.38</b>	<b>832,528.38</b>
<b>7. TRADE PAYABLES</b>		
Trade Payables -		
For Capital Expenditure	9,887,899.25	4,854,883.80
- Others	84,279,868.83	108,748,686.49
	<b>94,167,768.08</b>	<b>113,603,570.29</b>
<b>8. OTHER CURRENT LIABILITIES</b>		
Current maturities of long term debts	6,609,664.45	463,498.20
Interest accrued but not due on borrowings	265,653.73	0.00
Provision for expenses	5,767,735.81	4,935,869.81
Deposits Received	5,690,000.00	5,638,502.00
Advances from Customer and others	5,732,629.01	33.01
Statutory Dues Payable	3,881,648.16	17,990,328.22
<b>TOTAL</b>	<b>27,947,331.16</b>	<b>29,028,231.24</b>
<b>9. SHORT TERM PROVISIONS</b>		
Others		
Provision for		
Income Taxes	1,316,092.00	281,708.00
<b>TOTAL</b>	<b>1,316,092.00</b>	<b>281,708.00</b>

\* Net of Income Tax Advances Rs. 9.33 Lacs (P.Y. 15.68 Lacs)

**10. TANGIBLE ASSETS**

S. No.	PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As at 1.4.2011	Addition	SALE/ TRANSFER	As at 31.3.2012	As at 1.4.2011	DEP FOR THE YEAR	SALE/ TRANSFER	UP TO 31.3.2012	As at 31.3.2012	As at 31.3.2011
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	13689545.10	1334501.58	0.00	15024046.68	24931090.58	26265592.16
3	Plant & Machinery	155775537.89	101705.00	0.00	155775537.89	121222528.97	16235666.59	0.00	137458195.56	18419047.33	34553008.92
4	Electric Installation	14223092.08	0.00	0.00	14223092.08	11300655.05	1470667.72	0.00	12771322.77	1451769.31	292243.03
5	Motor Vehicles	7521628.00	37785.00	0.00	7559413.00	4238765.74	716462.54	0.00	4955228.28	2604184.72	3282862.26
6	Furniture, Fixtures & Office Equipments	2933533.01	263748.00	0.00	3197281.01	2546889.53	174260.87	0.00	2721150.40	476130.61	386643.48
	<b>TOTAL</b>	<b>223,166,404.24</b>	<b>403,238.00</b>	<b>0.00</b>	<b>223,519,624.24</b>	<b>152,998,384.39</b>	<b>19,931,559.30</b>	<b>0.00</b>	<b>172,929,943.69</b>	<b>50,589,688.55</b>	<b>70,118,019.85</b>
	Previous Year	221,682,395.24	1,959,009.00	525,000.00	223,116,404.24	133,597,605.89	19,776,549.50	375,771.00	152,998,384.39	70,118,019.85	88,084,789.35



	As At 31.03.2012 Amount in Rs.	As At 31.03.2011 Amount in Rs.
<b>11. NON CURRENT INVESTMENTS</b>		
<b>Long Term Investments (At Cost)</b> (Other than trade)		
NSC	133,000.00	133,000.00
IVP	1,000.00	1,000.00
<b>Equity Instruments (fully paid up)</b>		
<b>UNQUOTED</b>		
<b>OTHERS</b>		
5000 Equity Shares ( P.Y. 5000 ) of Unwire India Pvt. Ltd. of Rs. 10/- each	50,000.00	50,000.00
1000 Equity Shares ( P.Y. 1000 ) of Winsome Anant Breweries Pvt. Ltd. of Rs. 10/- each	10,000.00	10,000.00
	<b>194,000.00</b>	<b>194,000.00</b>
<b>Quoted Investments</b>		
Book Value	0.00	
Market Value	0.00	
<b>Unquoted Investments</b>		
Book Value	60,000.00	
Investments have been valued as per accounting policy no. VII disclosed in Note no. 1 to these financial statements.		
<b>12. INVENTORIES</b> (As certified by the Management)		
Raw Materials	4,664,484.59	7,774,401.32
Work-in-Process	10,122,200.00	9,943,967.00
Finished Goods	6,306,066.50	8,405,045.47
Stores and Spares(Including Packing Material)	17,250,038.09	49,508,381.42
Stock in Transit	677,812.00	0.00
	<b>39,020,601.18</b>	<b>75,631,795.21</b>
a) Inventory items have been valued considering the Significant Accounting Policy No.VIII disclosed in Note no. 1 to these financial statements.		
<b>13. TRADE RECEIVABLES</b> (Unsecured Considered good unless otherwise stated)		
<b>a) Debts outstanding for a period exceeding six months</b>		
- Considered Good	21,680.00	0.00
- Considered Doubtful	0.00	113,079.00
Less: Provision for Doubtful Debts		0.00
		<b>113,079.00</b>
	<b>21,680.00</b>	<b>113,079.00</b>
<b>b) Other Debts</b>		
- Considered Good	27,581,371.71	41,494,348.09
- Considered Doubtful	0.00	0.00
	<b>27,581,371.71</b>	<b>41,494,348.09</b>
	<b>27,603,051.71</b>	<b>41,607,427.09</b>
<b>14. CASH AND BANK BALANCES</b>		
<b>Cash &amp; Cash Equivalents</b>		
Balance with Banks		
- in current and deposit accounts	1,970,793.77	431,016.19
Cash in hand	330,871.67	628,879.67
	<b>2,301,665.44</b>	<b>1,059,895.86</b>
<b>Other Bank Balances</b>		
Bank deposits with more than three months maturity*	60,000.00	60,000.00
	<b>2,361,665.44</b>	<b>1,119,895.86</b>
	<b>60,000.00</b>	<b>60,000.00</b>

Deposit accounts with more than 12 months maturity  
\* Include Rs.60000/- pledged with Govt. Authorities



	As At 31.03.2012 Amount in Rs.	As At 31.03.2011 Amount in Rs.
<b>15. SHORT TERM LOANS AND ADVANCES</b> (Unsecured Considered good unless otherwise stated)		
<b>LOANS</b>		
- To Others	128,175,689.00	130,858,085.00
	<u>128,175,689.00</u>	<u>130,858,085.00</u>
<b>16. OTHER CURRENT ASSETS</b> (Unsecured Considered good unless otherwise stated)		
Advances recoverable in cash or kind	171,257,969.00	130,661,283.27
Interest Accrued on term deposits	228,467.23	228,467.23
Balance With Excise Authorities	19,852,948.16	5,120,044.16
<b>Deposit :</b>		
To Govt. deptt.	3,360,102.06	3,360,102.06
To Others	854,196.00	854,196.00
Prepaid Expenses	2,355,496.40	2,117,200.00
Income Tax Advances	2,547,336.00	2,547,336.00
VAT Receivable	4,207,532.51	0.00
	<u>204,664,047.36</u>	<u>144,888,628.72</u>
<b>17. REVENUE FROM OPERATIONS</b>		
<b>Sale of Products</b>		
Beer	563,933,020.68	367,795,447.20
	<u>563,933,020.68</u>	<u>367,795,447.20</u>
<b>Other operating revenue</b>		
Sale of Scrap	9,367,759.25	6,206,866.00
	<u>573,300,779.93</u>	<u>374,002,313.20</u>
<b>18. OTHER INCOME</b>		
Miscellaneous Income	15,747,960.15	34,951,803.00
Exchange Fluctuation	0.00	535,229.76
Interest Received	6,202,265.00	9,130,764.00
Profit on sale of Investments	0.00	766,443.00
	<u>21,950,225.15</u>	<u>45,384,239.76</u>
<b>19. CHANGES IN INVENTORIES</b>		
<b>Stock as on 1.4.2011</b>		
— Stock in Process	9,943,967.00	9,233,117.00
— Finished Goods	8,405,045.47	3,256,565.07
	<u>18,349,012.47</u>	<u>12,489,682.07</u>
<b>'A'</b>		
<b>Stock as on 31.03.2012</b>		
— Stock in Process	10,122,200.00	9,943,967.00
— Finished Goods	6,306,066.50	8,405,045.47
<b>'B'</b>	<u>16,428,266.50</u>	<u>18,349,012.47</u>
<b>B-A</b>	<u>(1,920,745.97)</u>	<u>5,859,330.40</u>
<b>20. COST OF MATERIAL CONSUMED</b>		
<b>Raw Material &amp; Packing Material Consumed</b>		
Raw Material (Malt, Rice, Sugar, Hopes & others)	116,913,127.71	73,056,947.94
Packing Material (Bottels, Cartoon, Crown etc.)	254,089,365.97	191,063,643.18
	<u>371,002,493.68</u>	<u>264,120,591.12</u>



## WINSOME BREWERIES LIMITED

	For the year ended 31.03.2012 Amount in Rs.	For the year ended 31.03.2011 Amount in Rs.
<b>21. EMPLOYEE BENEFITS EXPENSE</b>		
Salaries and wages	30,253,124.00	20,523,462.00
Contribution to provident and other funds	105,713.00	106,280.00
Staff welfare expenses	831,085.00	584,887.00
	<b>31,189,922.00</b>	<b>21,214,629.00</b>
<b>22. FINANCE COSTS</b>		
<b>Interest on:</b>		
Term loans	1,020,858.09	45,649.30
Others	0.00	51,054.00
Foreign Currency Fluctuation.	7,099,986.66	0.00
<b>Other Borrowing costs:</b>		
Processing Fees	214,538.00	0.00
	<b>8,335,382.75</b>	<b>96,703.30</b>
<b>23. OTHER EXPENSES</b>		
<b>Other Manufacturing Expenses</b>		
Stores and Spares Consumed	5,719,921.00	5,769,351.96
Power and Fuel	30,283,085.33	23,283,768.42
Bottling Fees	48,795,419.60	33,047,166.00
	<b>84,798,425.93</b>	<b>62,100,286.38</b>
<b>Repairs &amp; maintenance</b>		
- Machinery	2,474,790.00	2,542,399.00
- Others	3,279,615.00	2,518,064.00
	<b>5,754,405.00</b>	<b>5,060,463.00</b>
<b>Administrative Expenses</b>		
License Fees, Rates & Taxes	2,871,734.00	3,465,529.00
Vehicle Expenses	2,423,991.00	390,683.00
Communication Expenses	446,572.00	411,320.50
Traveling & Conveyance Expenses	2,115,177.00	3,573,458.00
Insurance Charges	38,815.00	42,651.00
Legal & Professional Charges	397,446.00	365,923.00
Directors Sitting Fees	11,000.00	9,000.00
<b>Auditors' Remuneration :</b>		
- As Audit Fees	43,259.00	42,466.00
- For Tax Audit	6,180.00	6,066.00
Miscellaneous Expenses	3,331,583.90	848,388.00
Rent	108,000.00	108,000.00
Bank Charges	33,537.70	30,093.60
	<b>11,827,295.60</b>	<b>9,293,578.10</b>
<b>Selling &amp; Distribution Expenses</b>		
Commission, Breakage & Detention Exp	13,427,994.00	8,332,291.00
Freight Outward	36,020,150.00	25,257,687.00
	<b>49,448,144.00</b>	<b>33,589,978.00</b>
<b>Others</b>		
Loss on Sale of Fixed Assets	0.00	48,229.00
Sundry Balances Written off	(11,005.43)	6.00
	<b>(11,005.43)</b>	<b>48,235.00</b>
	<b>151,817,265.10</b>	<b>110,092,540.48</b>

**WINSOME BREWERIES LIMITED**



**NOTES ON ACCOUNTS**

24. 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 made in the future.
25. The Company has short provided income tax liability for financial year ended 31-03-2012 to the extent of Rs. 5750000/- as in the opinion of the management the same is not payable. The same shall be accounted for on actual payment if made in the future.
26. The valuation of stock in process is as estimated by the Management and auditors have relied thereon.
27. 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.
28. 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.
29. 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.
30. **CONTINGENT LIABILITIES :**  
(To the extent ascertained by the management)
  - a) Disputed demand/claims of Excise/Sales Tax/Income Tax etc. amounting to Rs. 87,62,118.00 (previous year Rs. 32,94,322.00) not provided.
  - b) Other claim against the company not acknowledged as debt amounting Rs 34,39,480.00 (Previous year Rs. 34,39,480.00).
31. Estimated amount of contract remaining to be executed on Capital Account and not provided for (Net of advances) Rs. NIL (Previous year Rs. NIL)
32. Small scale industrial undertakings to whom the company owes sums of Rs. Nil (Previous year Rs. nil) to the extent identification from available information.

**33. Statistical Data**

**(a) SALES\***

Class of Goods	Unit	2011-12		2010-11	
		Qty.	Rs.	Qty.	Rs.
a. Lager Beer	Cases	0.00	0.00	1553	0.00
b. Strong Beer	Cases	2728638	563933020.68	1821037	367795447.20
		<u>2728638</u>	<u>563933020.68</u>	<u>1822590</u>	<u>367795447.20</u>
		=====	=====	=====	=====

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

**(b) OPENING & CLOSING STOCKS**

Class Of Goods	Unit	31.03.12		31.03.11		31.03.10	
		Qty.	Rs.	Qty.	Rs.	Qty.	Rs.
Lager Beer	Cases	6401	128020.00	6401	128020.00	7954	159080.00
Strong Beer	Cases	36890	6178046.50	45605	8277025.47	24548	3097485.07
		<u>43291</u>	<u>6306066.50</u>	<u>52006</u>	<u>8405045.47</u>	<u>32502</u>	<u>3256565.07</u>

**(c) CONSUMPTION OF RAW MATERIALS**

	2011-12		2010-11	
	Qty.(Kg.)	Rs.	Qty.(Kg.)	Rs.
Malt	2682275	64752718.00	1851505	38257015.20
Rice	1683949	22228338.00	1163072	15196219.30
Sugar	363990	11643731.00	237665	7587124.49
HQPS& Qthers		<u>18288340.71</u>		<u>12016589.44</u>
		<u>116913127.71</u>		<u>73056947.94</u>

**(d) CONSUMPTION**

(i) Raw Materials	2011-12		2010-11	
	%	Value in Rs.	%	Value in Rs.
Imported	NIL	NIL	NIL	NIL
Indigenous	<u>100.00</u>	<u>116913127.71</u>	<u>100.00</u>	<u>73056947.94</u>
	<u>100.00</u>	<u>116913127.71</u>	<u>100.00</u>	<u>73056947.94</u>

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



34. EXPENDITURE IN FOREIGN CURRENCY

	2011-12	2010-11
	Rs.	Rs.
a. Travelling	649146.00	864099.00

35. 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.

36. The company had purchased assets on hire purchase amounting to Rs.1912531.00

Amount payable as on 31st March 12	513436.44 (previous year Rs.976934.64)
Amount payable within one year	268016.00 (previous year Rs. 463498.00)

37. 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 2011-2012 :

SNb.	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	18,38,076.00	-----
2.	Amount Advanced	-----	-----
3.	Repayment of unsecured Loans	-----	-----
4.	Director's sitting fees	4,000.00	-----
5.	Payment received against advance	-----	-----
6.	Outstanding Balances as on 31.03.2012		
	- Loans and Advances given	-----	-----
	- Unsecured Loan	-----	-----
	- Creditors	1,64,100.00	-----

(c) Details of transactions with related parties during the year 2010-2011 :

SNb.	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	3,000.00	-----
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	-----





38. Loans and Advances in the nature of loans:

	Outstanding as on 31.03.12	Maximum Balance outstanding during the year
(i) Payments to Employees where there is No Interest or Interest below section 372A of Companies Act (Previous Year)	193697.00 161832.00	194820.00 175532.00
(ii) To Directors' interested parties : Kanakdhara Trade & Industries Ltd. (Previous Year)	NIL (NIL)	9530.00 22046.00

39. The breakup of net deferred tax liability as on 31.03.2012 is provided below:  
(Rs. in lacs)

	As at 31st March 12	As at 31st March 11
--	------------------------	------------------------

<u>Deferred Tax Liability</u>		
Difference in Net Book Values of Fixed Assets as per Accounts & Tax	(78.94)	(125.81)
<u>Deferred Tax Assets</u>		
Unabsorbed Losses & Depreciation	----	95.03
Provision Disallowable u/s 43 B	12.54	11.94
Provision for Gratuity	3.08	2.57
Net Deferred Tax Assets/ (Liability)	(63.32)	(16.27)

40. 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 NOTES '1' TO '40'

As per our report of even date

For and on behalf of the Board

For O.P.BAGLA & CO.  
Chartered Accountants

Himanshi Madan  
Company Secretary

R.K. Bagrodia  
Chairman-cum-Managing Director

MUKUL BAGLA  
Partner

Place New Delhi.  
Date: 3rd September, 2012

Sushil Kumar Jain  
Director

**Cash flow statement for the year ended 31st March,2012**

	For the year ended 31st March,2012	(Amount in Rupees) For the year ended 31st March,2011
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit before tax & extraordinary items	11053636.28	9944869.96
Adjustment for :		
Depreciation	19931559.30	19776549.50
Prior Period Expenses	0.00	0.00
Loss on sale of Fixed Assets	0.00	48229.00
Interest paid	1020858.09	96703.30
Interest received	(6202265.00)	(9130764.00)
Exchange Rate Difference	7099986.66	0.00
Operating profit before working capital changes	32903775.33	20735587.76
Adjustment for :		
Trade & Other receivables	(43088647.26)	36127656.16
Inventories	36611194.03	(40821017.42)
Trade & Other Current Liabilities payables	(27517877.27)	(11042529.54)
Cash generated from Operations	(1091555.17)	4999696.96
Taxes paid	(1240794.00)	(1850163.00)
Cash flow before extra ordinary items	(2332349.17)	3149533.96
Net Cash from Operating Activities	(2332349.17)	3149533.96
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
(Increase)/Decrease in Fixed Assets/CWIP(in Terms of Cash)	(35,390,690.25)	(11,164,705.80)
(Purchase)/sale of Investments	0.00	1740000.00
Interest received	6202265.00	9130764.00
Sale of Fixed Assets	0.00	101000.00
Net Cash used In Investing Activities	(29188425.25)	(192941.80)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from borrowings	34702173.00	(2282883.77)
Repayments of borrowings	(918770.91)	(535229.76)
Interest Paid	(1020858.09)	(96703.30)
Net Cash used in Financing activities	32762544.00	(2914816.83)
<b>Net Increase/(Decrease) in Cash &amp; Cash equivalent(A+B+C)</b>	1241769.58	41775.33
Cash and Cash Equivalents at the beginning of the year	1119895.86	1078120.53
Cash and Cash Equivalents at the end of the year	2361665.44	1119895.86

## Notes :

## 1. Cash and Cash Equivalents Includes:

Cash	330871.67	628879.67
Balance with Scheduled Banks	2030793.77	491016.19
Total	2361665.44	1119895.86

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

As per our report of even date

For O.P.BAGLA & CO.  
Chartered Accountants

Himanshi Madan  
Company Secretary

For and on behalf of the Board

R.K. Bagrodia  
Chairman-cum-Managing Director

MUKUL BAGLA  
Partner

Place New Delhi.  
Date: 3rd September, 2012

Sushil Kumar Jain  
Director

# WINSOME BREWERIES LIMITED

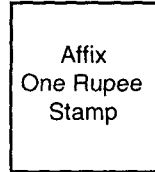
Regd. Office: Vill. Sarekhurd, Tehsil, Tijara, Distt. Alwar (Rajasthan)

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 Twentieth Annual General Meeting of the Company to be held on Saturday the 29<sup>th</sup> September, 2012 at 11.00 a. m. and any adjournment thereof.



Signature this..... day at.....2012

## 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. 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 Twentieth Annual General meeting of Company to be held at the Registered office of the Company on Friday, the 29<sup>th</sup> September, 2012 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.