

# **Chambal**

---

## **Breweries & Distilleries Limited**



**Annual Report 2012-2013**



# **ANNUAL REPORT 2012-2013**

## **BOARD OF DIRECTORS**

- **Mr. Parasram Jhamnani**  
Chairman
- **Mr. Raj Kumar Jain**  
Non-Executive & Independent Director
- **Mr. Gajraj Singh**  
Non-Executive & Independent Director
- **Mr. Anupam Garg**  
Non-Executive & Independent Director

## **COMPLIANCE OFFICER**

- **Mr. Parasram Jhamnani**

## **STATUTORY AUDITORS**

Bipin Zavar & Associates  
Chartered Accountants,  
235/9203, Kannamwar Nagar - 2, Vikhroli (E),  
Mumbai - 400 083

## **REGISTERED OFFICE**

Room No. 8, 102 C, Madhavwadi, Cross Road, Naigaon ,  
Dadar (E), Mumbai  
Web: [www.chambalkota.in](http://www.chambalkota.in)  
Email: [chambalbreweries@gmail.com](mailto:chambalbreweries@gmail.com)

## **BANKERS**

ICICI Bank Ltd.

## **BOARD COMMITTEES**

### **AUDIT COMMITTEE**

- Mr. Raj Kumar Jain (Chairperson)
- Mr. Parasram Jhamnani
- Mr. Gajraj Singh
- Mr. Anupam Garg

### **Shareholder's/ Investor's Grievance Committee**

- Mr. Gajraj Singh (Chairperson)
- Mr. Parasram Jhamnani
- Mr. Raj Kumar Jain
- Mr. Anupam Garg

## **CORPORATE ADVISORS**

V. M. & Associates  
Company Secretaries,  
403, Royal World,  
S. C. Road, Jaipur - 302 001

## **REGISTRAR & SHARE TRANSFER AGENT**

Adroit Corporate Services Pvt. Ltd.  
19/20 Jaferbhoy Industrial Estate,  
1st Floor, Makwana Road Marolnaka,  
Mumbai- 400059  
E-mail: [adroit@vsnl.net](mailto:adroit@vsnl.net)

## **NOTICE OF MEETING**

NOTICE is hereby given that the Annual General Meeting (AGM) of the Members of Chambal Breweries And Distilleries Limited will be held on Saturday, the 07th day of September, 2013 at 03:00 P.M. at Ramee Guestline Hotel, Plot No.3, Kohinoor Road, Dadar (E), Mumbai-14 to transact the following business:

### **ORDINARY BUSINESS :**

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2013 and the Profit & Loss Account for the year ended on that date together with the reports of the Auditors and the Directors thereon.
2. To appoint a Director in place of Shri Rajkumar Jain, who retires by rotation and being eligible, offers himself for re-appointment.
3. To re-appoint the retiring Auditors M/s. Bipin Zavar & Associates, Chartered Accountants of the company and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED THAT M/s. Bipin Zavar & Associates, Chartered Accountants, having ICAI registration no. 121523W be and are hereby re-appointed as Auditors of the Company, to hold office for the period from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as may be fixed by the Board of Directors as per the provision of Section 224 and other applicable provision of the Companies Act, 1956. ."

**FOR AND ON THE BEHALF OF THE BOARD**

Sd/-

**PARASRAM JHAMNANI**

Chairman

PLACE : **KOTA**

DATE : **06.08.2013**

**NOTES (Forming part of the Notice) :**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (the "Meeting") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. The instrument appointing the proxy must be deposited at the registered office of the company not less than 48 hours before the scheduled time of the meeting. A blank proxy form is annexed to the annual report.
2. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
3. The register of members and share transfer books of the Company shall remain closed from Friday, 06th day of September, 2013 to Saturday, 07th day of September, 2013 (both days inclusive).
4. In terms of Article 126 of the Article of Association of the Company, read with Section 256 of the Companies Act, 1956, Shri Rajkumar Jain, Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The Board of Directors commends his re-appointment.
5. A brief resume of Shri Rajkumar Jain and other information required under clause 49 of the listing agreement is included in the Report of Corporate Governance.
6. Members who are holding shares in identical order of names in more than one folio are requested to write to the Company enclosing their share certificate so as to enable the Company to consolidate their holdings in one folio.
7. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
8. Members desiring any information on the accounts at the Annual General Meeting are requested to write to the Company at least 7 days in advance, so as to enable the Company to keep the information ready.
9. The Register of Directors' shareholding maintained under section 307 of the Companies Act, 1956 will be available for inspection by the members at the Annual General Meeting.
10. Members are requested to bring the following with them at the Annual General Meeting:
  - a) Copy of the Annual Report.
  - b) Duly filled Attendance Slip for attending the meeting and the same should be deposited at the entrance of the Meeting Hall.
  - c) Depository account number (Client ID), if any, for easier identification and recording of attendance at the meeting.
11. All documents referred to in accompanying Notice are open for inspection at the Registered Office of the Company between 11.00 A.M. and 1.00 P.M. on any working day excluding Sundays and holidays up to the date of Annual General Meeting.
12. The Members holding shares in physical form are requested to notify change in their address, if any, quoting their folio number to intimate to the Registrar and Transfer Agents - M/s. Adroit Corporate Services Pvt Ltd., 19/20 Jaferbhoy Industrial Estate, 1st Floor, Makwana Road Marolnaka, Mumbai. If the shares are held in electronic form, the same has to be notified to your concerned Depository Participant.

13. As per Circular No. MRD/Dop/Cir-5/2009 dated May 20, 2009 issued by Securities and Exchange Board of India (SEBI), it is mandatory to quote PAN for transfers of shares in physical form. Therefore, the transferee(s) are required to furnish a copy of their PAN to the Registrar and Share Transfer Agents of the Company.
14. Members are informed that Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in Corporate Governance" (Circular No. 17/2011 dated 21.04.2011 and Circular No. 18/2011 dated 29.04.2011) allowing paperless compliances by Companies through electronic mode. Companies are now permitted to send various notices/documents to its shareholders through electronic mode to the registered e-mail addresses of shareholders. Your company has also decided to be a part of this initiative and request the shareholders to send/update their email ID in the company's record. This initiative will enable better flow of the information required to be disseminated to the members and save the environment by saving the paper. We seek your whole-hearted support for this initiative.
15. Members who have not registered their e-mail addresses so far are requested to register their e-mail address so that they can receive the Annual Report and other communication from the Company electronically.

FOR AND ON THE BEHALF OF THE BOARD

Sd/-

**PARASRAM JHAMNANI**  
Chairman

PLACE : KOTA

DATE : 06.08.2013

**ANNEXURE TO THE NOTICE of AGM****Details of Director seeking re - appointment at the Annual General Meeting as per Clause 49 of the Listing Agreement**

Information pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges in respect of the Directors who are proposed to be appointed/re-appointed at the ensuing Annual General Meeting to be held on 07th September, 2013 :

**Details of Shri Rajkumar Jain, Director of the Company are as follows :**

Name of the Director	Shri Rajkumar Jain
Date of Birth	22.10.1966
Date of Appointment	30.09.2003
Designation	Non-Executive & Independent Director
Qualification(s)	Post graduate
Name of the Companies in which directorship held as on 31.03.2013	NIL
Member of the Committee of Board of other companies	NIL
No. of Shares held in the Company	NIL

FOR AND ON THE BEHALF OF THE BOARD

Sd/-

**PARASRAM JHAMNANI**  
Chairman

PLACE : KOTA

DATE : 06.08.2013

**DIRECTORS' REPORT****Dear Members,**

Chambal Breweries And Distilleries Ltd.

Your Directors have pleasure in presenting the Annual Report of your Company along with the statement of Audited Annual Accounts for the year ended 31st March, 2013.

**FINANCIAL RESULTS**

The financial performance of the Company for the year ended on 31st March, 2013 is as follows:

Particulars	31.03.2013	31.03.2012
Turnover (FOB)	4,52,12,017.00	4,03,34,835.00
Other Income	—	—
Less : Total Expenditure	4,48,29,712.97	3,93,81,989.66
Interest	—	—
Depreciation	1,39,607.00	1,39,607.00
Profit/(Loss) before Tax & extra-ordinary items	2,42,697.03	8,13,238.34
Add/Less: Extra Ordinary Items	—	—
Profit/(Loss) before Tax	2,42,697.03	8,13,238.34
Less: Provision for Current Tax	1,31,500.00	3,30,017.00
Provision for FBT	—	—
Provision for Deferred Tax	—	—
Add: old provision for tax written back	—	—
Deferred tax written back	—	—
Less: Income tax for earlier years	—	—
Net Profit/ (Loss) after Tax for the year	1,11,197.03	4,83,221.34
Earnings Per Share	.01	.06

**PERFORMANCE REVIEW**

The company is engaged in trading and retailing of IMFL and beer. The net receipts from Operations during the year under review were Rs. 4,52,12,017/- as against Rs. 4,03,34,835/- in the previous year. The profit/ (Loss) after tax is Rs. 1,11,197.03/- as against Rs. 4,83,221.34/- in the previous year. The income from operations increased by 48,77,182/- during the year under review.

**DIVIDEND**

Bearing in mind the financials and various growth prospects of the Company, the Directors do not recommend any dividend for the year.

**RESERVES**

The Board has not transferred any amount to General Reserve. Whole profit of the Company during the year i.e. Rs. 1,11,197.03/- transferred to the profit & loss a/c for the FY 12-13, in compliance with the relevant provisions of the Companies Act, 1956.

**CAPITAL STRUCTURE**

During the FY 12-13 there is no change in capital structure of the Company and paid up share capital of the Company stands at Rs. 7,48,87,580/-.

**DIRECTORS**

Shri Rajkumar Jain, Director, retires by rotation in terms of provisions of Companies Act, 1956 and Articles of Association of the Company at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The retiring Director does not hold any shares in the company.

A brief resume and other information required under clause 49 of the listing agreement is included in the Annual Report / Notice of Annual General Meeting. The Board recommends his re-appointment.

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

A detailed discussion on the industrial structure, development, opportunities, threats, review of operational performance and risks, as required under the Listing Agreement with stock exchanges, forms part of this report and is annexed herewith.

**LISTING OF SECURITIES**

The Equity shares of the company are listed with the Bombay Stock Exchange Limited and Jaipur Stock Exchange Limited.

**PUBLIC DEPOSITS**

During the year the company has not accepted or renewed any deposits U/S 58A of the Companies Act, 1956, from public.

**ISSUE OF FOREIGN CURRENCY CONVERTIBLE BONDS**

The company has not issued any Foreign Currency Convertible Bonds during the last year.

**DIRECTORS RESPONSIBILITY STATEMENT**

Pursuant to Section 217(2AA) of the Companies Act, 1956, your Directors confirm that:

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, your Directors confirmed that:

1. in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed and there are no material departures;
2. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the State of Affairs of the Company for the financial year ended 31st March 2013 and of profit of the Company for that year;
3. they have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate Accounting records in 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. they have prepared the Annual Accounts on a 'going concern' basis.

**AUDITORS AND AUDITORS' REPORT**

M/s. Bipin Zavar & Associates, Chartered Accountants, Statutory Auditor of the Company holds office until the conclusion of the forthcoming Annual General Meeting and is eligible for re-appointment. The Company has received a letter from them to the effect that their appointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956. Accordingly, the said Auditor is proposed to be re-appointed as the Statutory Auditor of the Company for the financial year 2013-2014 at the ensuing Annual General Meeting.

The notes on the financial statements referred to in the Auditors Report are self-explanatory and have been explained/ clarified and do not calls for any further comment.

## HUMAN RESOURCE DEVELOPMENT

Our employees are the most valuable asset of the Company. We encourage innovation, meritocracy and the pursuit of excellence. We are in continuous process to monitor individual performance. We continue to have cordial and harmonious relations with its employees.

### PARTICULARS OF EMPLOYEES

There are no employees in the Company whose particulars are required to be disclosed under the provisions of section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended, from time to time.

## CORPORATE GOVERNANCE

The Company considers Corporate Governance as an important step towards building investor confidence, improving investor's protection and maximizing long term shareholder value. It has implemented all the provisions of Corporate Governance as stipulated under Clause 49 of the listing agreement with all the stock exchanges, where the Company is listed. It has always been a constant endeavor of the Company to adopt good corporate governance code through independent Board, transparent disclosures and shareholders empowerment for creating and sustaining shareholder value. A separate section on Corporate Governance along with a certificate from the Auditors of the Company, certifying compliance with stipulations of Clause 49 of listing agreement with the stock exchanges with regards to the Corporate Governance code is present elsewhere.

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company has no activities relating to conservation of energy and technology absorption. There are no foreign exchange transactions during the year.

## EQUAL OPPORTUNITY TO ALL THE EMPLOYEES

The Company has always provided a congenial atmosphere for work to all sections of the society. Your Company is committed to respect universal human rights. To that end, the Company practices and seeks to work with business associates who believe and promote these standards. The Company is committed to provide equal opportunities at all levels, safe and healthy workplaces and protecting human health and environment. The Company provides opportunities to all its employees to improve their skills and capabilities. The Company's commitment extends to its neighboring communities to improve their educational, cultural, economic and social well-being. Your Company is an equal opportunity employer and does not discriminate on the grounds of race, religion, nationality, ethnic origin, colour, gender, age, citizenship, sexual orientation, marital status or any disability not affecting the functional requirements of the position held.

## CODE FOR PREVENTION OF INSIDER TRADING PRACTICES

In compliance with the SEBI Regulations on prevention of insider trading, the Company has formulated and implemented a comprehensive Code of Conduct for Prevention of Insider Trading by its management and employees. The code lays down guidelines advising them on procedures to be followed and disclosures to be made while dealing with shares of Company.

## ACKNOWLEDGEMENTS

Your Directors would like to express their appreciation for assistance and co-operation received from the Bankers, Central & State government, Local Authorities, Client, Vendors, Advisors, Consultants, Associates at all levels for their continued guidance and support. Your Directors also wish to place on record their deep sense of appreciation for their commitment, dedication and hard work put in by every member of the our Company.

To them goes the credit for the Company's achievement and to you, our shareholders we are deeply grateful for the confidence and the faith that you have always reposed in us.

For and on behalf of the Board of Directors of  
Chambal Breweries And Distilleries Limited

PLACE : KOTA  
DATE : 06.08.2013

Sd/-  
PARASRAM JHAMNANI  
Director

Sd/-  
GAJRAJ SINGH  
Director

## REPORT ON CORPORATE GOVERNANCE

### 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance is the application of best management practices, compliances of law and adherence to ethical standards to achieve the Company's objective of enhancing shareholder value and discharge of social responsibilities. Adopting high standards gives comfort to all existing and potential stakeholders including government and regulatory authorities, customers, suppliers, bankers, employees and shareholders. Corporate Governance signifies acceptance by management of the inalienable rights of shareholders as true owners of the organization and of their own role as trustees on behalf of the shareholders.

At Chambal, Corporate Governance is all about maintaining a valuable relationship and trust with all the stakeholders. At Chambal, we consider our stakeholders as our partners in our success and we remain committed to maximizing stakeholder value, be it shareholders, employees, suppliers, customers, investors, communities or policy makers. This emanates from our strong belief that sound governance system based on relationship and trust is integral to creating value on an overall basis. We have a defined policy framework for ethical conduct of businesses.

Chambal Breweries And Distilleries Limited remains resolute in its commitment to conduct business in accordance with the highest ethical standards and sound Corporate Governance practices. The Company strongly believes that sound and unambiguous system of Corporate Governance practices go a long way in enhancing shareholder value and retaining investor trust and preserving the interest of all stakeholders in a context where ethics and values are under siege.

Chambal Breweries And Distilleries Limited has always believed that an independent and diversified Board following best practices, transparent disclosures and empowerment of shareholders are as necessary as solid financial results for creating and sustaining shareholder's value. The Company fully recognizes the rights of its shareholders to information on the performance of the Company and considers itself a trustee of its shareholders. The Company strives for the fullest possible disclosure standards. It provides detailed information on various issues concerning the Company's business and financial performance to its shareholders. The Board of the Company acts with autonomy and independence in exercising strategic supervision, discharging its fiduciary responsibilities and in ensuring that the management observes high standards of ethics, transparency and disclosure.

At Chambal, it is our belief that as we move closer towards our aspirations of becoming a large corporation, our corporate governance standards must be globally benchmarked. This gives us the confidence of having put in the right building blocks for future growth and ensuring that we achieve our ambitions in a prudent and sustainable manner.

Chambal not only adheres to the prescribed corporate governance practices as per Clause 49 but is also committed to sound corporate governance principles and practices and constantly strives to adopt emerging best practices being followed worldwide. It is our endeavor to achieve higher standards and provide oversight and guidance to management in strategy implementation, risk management and fulfillment of stated goals and objectives.

In India, Corporate Governance standards for listed companies are regulated by the Securities and Exchange Board of India (SEBI), through Clause 49 of the listing agreement of the Stock Exchanges. Chambal Breweries And Distilleries Limited has adopted best practices mandated in Clause 49 of the listing agreement and has established procedures and systems to be fully compliant with it.

### 2. BOARD OF DIRECTORS

The Board is in a fiduciary position, empowered to oversee the management function with a view to ensure its effectiveness and enhancement of stakeholder value. The Board decides on the policies to be implemented across the Company, and reviews and monitors its strategic direction and annual business plan and business objectives. Acting as trustees on behalf of the shareholders, the Board ensures that the Company has clear goals in enhancing value and growth for all the stakeholders associated with the Company and follows best governance practices.

#### Composition

The Board of Director of Chambal Breweries And Distilleries Limited is a balanced one with an optimum mix of Executive and Non Executive Directors. As on 31st March, 2013, the Board of company consist of Four (4) Directors out of which one (1) is Non- Executive & Chairman from the promoter group, and three (3) Non Executive Independent Directors and are highly experienced, competent and highly renowned persons from their respective fields. They show active participation at the board