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Annual General Meeting on Saturday, the 28th September, 2013
at Solan Brewery (H.P.) at 11:00 A.M.

As a measure of economy, copies of the Annual Report will
not be distributed at the Annual General Meeting, Shareholders
are requested to kindly bring their copies to the meeting.

BOARD OF DIRECTORS

Managing Director

Brig.(Dr.) Kapil Mohan,
VSM(Retd.) Ph.D.

Deputy Managing Director

Shri Hemant Mohan

Secretary

Shri H.N. Handa,.
B.Com., F.C.A., F.C.S., A.M.C.I.A. (London)
A.I.C.S. (Australia)

Statutory Auditors:

A.F. Ferguson & Co.,
Chartered Accountants,
New Delhi.

Cost Auditors:

Neeraj Sharma & Co.,
Cost Accountants,
Ghaziabad.

Registered Office:

Solan Brewery P.O.
(Shimla Hills)
Himachal Pradesh
Pin-173214.

Directors

Shri Vinay Mohan

Shri L.K. Malhotra

Shri J.K. Jain

Shri Swaraj Suri

Shri M. Nandagopal

Shri Yash Kumar Sehgal

Bankers:

Punjab National Bank

Solicitors:

Koura & Company,
Advocates & Barristers,
New Delhi.

Registrar & Transfer Agents:

M/s. Beetal Financial & Computer
Services (P) Ltd.,
Beetal House, 3rd floor, 99, Madangir,
Behind Local Shopping Centre,
Near Dada Harsukhdas Mandir, New Delhi-110062.

DIRECTORS' REPORT:**TO THE MEMBERS :**

The Directors present their 79th Annual Report on the business and operations of the Company with the Audited Statement of Accounts for the year ended 31st March, 2013 together with the report of Auditors, Messrs. A.F. Ferguson & Co.

FINANCIAL RESULTS:

	Year ended March 31, 2013 (Rs. in lacs)	Yearended March 31, 2012 (Rs. in lacs)
Revenue from Operation	53,547.38	47,950.80
Less: Excise duty	12,130.87	9,080.35
Revenue from Operation (Net)	41,416.51	38,870.45
Other Income	243.93	789.82
Net Revenue from Operation & Other income	41,660.44	39,660.27
Less: Total Expenditure excluding Exceptional items	43,552.88	39,890.09
Profit/(Loss) before exceptional items & tax	(1,892.44)	(229.82)
Exceptional items		
CY – Sale of freehold land (2700 lacs)	2,700.00	(862.94)
(LY-E/duty 460.94, Entry Tax 402.00 lacs)		
Profit/(loss) before tax	807.56	(1,092.76)
Tax Expenses:		
Provision for current tax	201.01	55.00
Deferred tax charges/(benefits)	201.32	(404.13)
Provision for taxation relating to earlier year	14.33	-
Profit/(Loss) for the year	389.90	(743.63)
Balance brought forward from previous year	2,263.07	3,006.70
Profit/(Loss) available for appropriation	2,652.97	2,263.07
APPROPRIATIONS:		
1. Balance carried to Balance Sheet	2,652.97	2,263.07

RESULTS:

During the year under review, the financial performance of the Company was not on expected lines due to general economic decline in the Country, although, the net revenue, after adjusting excise duty, from operation and other income of the Company registered an increase from Rs.39,660 lacs last year to Rs.41,660 lacs during the year which is satisfactory in the face of stiff competition.

DIVIDEND:

No dividend is recommended for the year ended 31.3.2013.

DIRECTORS:

In accordance with provisions of the Companies Act, 1956 and the Company's Articles of Association, Shri L.K. Malhotra and Shri Swaraj Suri retire by rotation and being eligible offer themselves for re-appointment. We recommend their re-appointments as their advice from time to time has proved beneficial in the interest of the Company.

AUDITORS:

M/s. A.F. Ferguson & Co., Chartered Accountants who have to retire at the conclusion of the forthcoming Annual General Meeting have by a notice in writing shown their un-willingness to be re-appointed as Statutory Auditors, and as such the Audit Committee and the Board have considered another Firm of Chartered Accountants viz. M/s. A.F. Ferguson Associates, New Delhi for appointment as Statutory Auditors of the Company for the year 2013-14 in place of the retiring Auditors, M/s. A.F. Ferguson & Co., to hold office from the conclusion of the forthcoming Annual General Meeting to the conclusion of next Annual General Meeting. The remuneration, to be decided by the Board and the Audit Committee, shall be exclusive of Service tax, traveling and other out of pocket expenses.

The Auditors, M/s. A.F. Ferguson Associates have informed the Company vide letter dated 05.08.2013 that their appointment, if made, would be within the limits prescribed U/S 224(1B) of the Companies Act, 1956.

The Auditors have confirmed that they have subjected themselves to the Peer Review Process of Institute of Chartered Accountants of India (ICAI) and hold valid Certificate issued by the Peer Review Board of the ICAI.

The Directors recommend the appointment for approval of the shareholders as an Ordinary Resolution as Section 224A of the Companies Act, 1956 is not applicable.

M/s. Mohan & Co., Chartered Accountants, for the audit of accounts of the Company's Lucknow Branch will also

retire at the conclusion of the forthcoming Annual General Meeting. They being eligible, offer themselves for re-appointment.

ANNEXURE TO THE AUDITORS' REPORT:

The observations made by the Auditors, have already been fully explained in the notes attached to the Accounts and therefore do not call for any further comments under Section 217(3) of the Companies Act, 1956.

COST AUDIT:

The Ministry of Corporate Affairs, Govt. of India vide its Order dated 6th November, 2012 has made it mandatory for every Company including all its Units and branches to carryout cost audit in respect of Manufacture of Alcoholic Products,

Glass and Glass products (relevant to chapter 70 of the Central Excise) Packaged Food Products (Breakfast Food & Food Products) Vinegar and maintenance of Cost accounts at all Units of the Company. The Company has taken necessary steps in this direction. Based on the recommendations of Audit Committee, the Board of Directors at its Meeting held on 30th May, 2013 has approved re-appointment of M/s. Neeraj Sharma & Co., as Cost Auditors for the year 2013-14, subject to approval of the Central Government.

FIXED DEPOSITS:

As on March 31, 2013 the total number of Fixed Deposit Accounts numbering 253 amounting to Rs.80,51,500 have become due for payment but the depositors have not claimed or sent instructions for renewal, although being reminded at regular intervals.

Complying with Sections 205A & 205C of the Companies Act, all matured deposits and interests remaining unclaimed for 7 years were transferred to the Investor Education and Protection Fund.

TRANSACTIONS WITH NATIONAL CEREALS PRODUCTS LIMITED:

The purchases made by the Company during the year included purchases aggregating to Rs.4,84,06,805/- made from National Cereals Products Ltd., which has been manufacturing the bulk requirements of barley malt for the last more than five decades. The Company holds 341352 shares (approx.26%), while the Mohan Family holds 366310 shares (approx. 28%) (including 48,536 shares (3.69%) held by Brig.(Dr.) Kapil Mohan, VSM (Retd.) Ph.D., Managing Director) of the total shares of National Cereals Products Ltd., Mrs. Comilla Mohan, Sister-in-law of Brig.(Dr.) Kapil Mohan, VSM (Retd.) Ph.D., is the Managing Director of National Cereals Products Limited.

INSURANCE:

The Company's assets have been adequately insured.

PARTICULARS OF EMPLOYEES AS REQUIRED UNDER SECTION 217(2A) OF THE COMPANIES ACT, 1956 AND RULES MADE THEREUNDER:

As per the recent amendment made by the Central Government in the Companies (Particulars of Employees) Rules 1975, a statement giving particulars under Section 217(2A) of the Companies Act, 1956 and required to be included in the Directors' Report is not applicable, as no employee of the Company was in receipt of remuneration exceeding the limits prescribed therein.

The Cash Flow Statement for the year 2012-2013 is attached to the Balance Sheet

ENERGY CONSERVATION TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE:

Information pursuant to Section 217 (1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is given in Annexure forming part of this Report.

DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to the requirement of Section 217(2AA) of the Companies Act, 1956, and based on the representations received from the operating management and after due enquiry the Directors hereby confirm that:

- a) The financial statements are prepared in accordance with the accounting standards issued by the Institute of Chartered Accountants of India and the requirements of the Companies Act, 1956, to the extent applicable to us, and guidelines issued by SEBI on the historical cost convention as a going concern and on the accrual basis. There are no material departures from prescribed accounting standards in the adoption of the accounting standards as these have been adopted in consultation with Statutory Auditors.
- b) The Board of Directors accepts responsibility for the integrity and objectivity of these financial statements. The accounting policies used in the preparation of the financial statements have been consistently applied except as otherwise stated in the notes accompanying the respective tables. The estimates and judgments related to the financial statements have been made on a prudent and reasonable basis, in order that the financial statements reflect in a true and fair manner, the form and substance of transactions, and reasonably present our state of affairs and profits for the year.
- c) 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. They confirm that there are adequate systems and controls for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

CORPORATE GOVERNANCE:

As required by Clause 49 of the Listing agreement, separate report on the Corporate Governance and Management Discussion and Analysis is attached as a part of this Annual Report.

Certificate of Practising Company Secretary regarding compliance of the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement of the Stock Exchanges is also attached and forms a part of the Annual Report.

CURRENT TREND:

The sales of the Company's products for the first quarter of the current year are slightly down as compared to the corresponding period of the year under review. The Company is taking all necessary steps to achieve higher sales and it is expected that the measures being taken will bring the desired results barring unforeseen circumstances.

INDUSTRIAL RELATIONS:

It is a matter of pride that the Management – Employees relations in your Company during the year under review continues to be very cordial as in the previous years. This is all due to the progressive social outlook of Brig. (Dr) Kapil Mohan, VSM (Retd.) Ph.D. your Managing Director. Your Directors wish to place on record their deep sense of appreciation for the devoted services of the Executives, Staff and Workers of the Company for its success.

Brig.(Dr) Kapil Mohan	<i>Managing Director</i>
VSM (Retd.)Ph .D.	
Shri Hemant Mohan	<i>Deputy Managing Director</i>
Shri Vinay Mohan	<i>Director</i>
Shri J.K. Jain	<i>Director</i>
Shri Swaraj Suri	<i>Director</i>
Shri L.K.Malhotra	<i>Director</i>
Shri M. Nandagopal	<i>Director</i>
Shri Yash Kumar Sehgal	<i>Director</i>

Mohan Nagar
14th August, 2013.
(Ghaziabad) U.P.

Annexure 'A' Forming part of the Directors' Report

Particulars required under the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988, for the year ended March 31, 2013

A. Conservation of energy

(a) Energy conservation measures taken:

All business units of the Company continued their efforts to improve energy usage efficiencies. Innovative ways and new technology were constantly explored to efficiently usage of energy. Some of the measures adopted were :

- i) Improvement in energy usage efficiency by replacing old tube light by CFL tubes and replacement of old motors with higher efficiency sets in other departments which were not covered in previous year.
- ii) Two no. old and inefficient wort-kettles were replaced with new tanks which resulted in saving of steam energy.
- iii) Two new KHS machines have been installed and commissioned in Brewery unit which has saved electrical energy and water. Two production lines have been clubbed into one line for better usage of energy.

(b) Additional investment and proposals if any, being implemented for reduction of consumption of energy.

Company has plan to :

- i) Replace old tube light and old motor pumps with higher efficiency sets in other departments not covered during the current year.
- ii) Replace water wall, bed coil and drum tubes of old coal fired boiler which will increase overall efficiency of Boiler resulting in saving of energy.
- iii) Insulate remaining old steam carrying pipe lines afresh to arrest transit loss.
- iv) Install and commission additional uni-tanks which will save lot of electrical and refrigeration energy.

(c) Impact of measures of (a) & (b) above for reduction of energy consumption

Energy conservation measures taken above have resulted and will result in marginal saving and energy costs both electrical as well as thermal besides marginal reduction in cost.

(d) Total energy consumption and energy consumption per unit of production is given in prescribed Form 'A' in respect of Industries specified in the schedule thereto ;

FORM 'A'

Form for disclosure of particulars with respect to consumption of energy

(A) POWER AND FUEL CONSUMPTION:

	Glass Bottles	Juice & Canned Products	Maize Rice, Corn Flakes & Wheat Porridge	Cold Storage
1 Electricity				
a) Purchased Units				
Units (KWH)	6502674 (6253011)	15587 (18102)	1051460 (872830)	207016 (234073)
Total Cost (Rs.)	38877634 (29889393)	92587 (86528)	6245672 (4172127)	1229675 (1118869)
Rate/Unit (Rs.)	5.98 (4.78)	5.94 (4.78)	5.94 (4.78)	5.94 (4.78)
b) Own generation Units				
Through Generator				
Units (KWH)	516900 (646472)	1346 (1940)	87605 (85409)	24760 (24790)
Units per Litre of Oil	2.63 (2.57)	2.63 (2.57)	2.63 (2.57)	2.63 (2.57)
Cost/Unit (Rs.)	15.93 (14.21)	15.28 (15.12)	15.22 (15.02)	15.30 (15.07)
2 L.D.O.				
Quantity (K.Ltrs.)	27.731 (-)	- (-)	- (-)	- (-)
Total cost (Rs.)	764181 (-)	- (-)	- (-)	- (-)
Average rate per k.ltrs (Rs.)	27557 (-)	- (-)	- (-)	- (-)
3 Furnace Oil				
Quantity (K.Ltrs.)	10.800 (-)	- (-)	- (-)	- (-)
Total cost (Rs.)	369733 (-)	- (-)	- (-)	- (-)
Average rate per k.ltrs (Rs.)	34235 (-)	- (-)	- (-)	- (-)
4 L.P.G.				
Quantity (M.T.)	3.000 (-)	- (-)	- (-)	- (-)
Total cost (Rs.)	130218 (-)	- (-)	- (-)	- (-)
Average rate per M.T. (Rs.)	43406 (-)	- (-)	- (-)	- (-)

	Glass Bottles	Juice & Canned Products	Maize Rice, Corn Flakes & Wheat Porridge	Cold Storage
5 Natural Gas				
Quantity (Cubic Meters)	6400416 (5885121)	- (-)	618575 (719000)	- (-)
Total Cost (Rs.)	180433970 (111110224)	- (-)	17650576 (14218784)	- (-)
Average rate per cubic meter (Rs.)	28.19 (18.88)	- (-)	28.53 (19.78)	- (-)
6 Steam supplied from Centrallised Boiler *				
Total Cost (Rs.)	- (-)	1702053 (1936359)	14210473 (14544441)	- (-)

(B) CONSUMPTION PER UNIT OF PRODUCTION

	Glass Factory	Juice & Canned Products	Maize Rice, Corn Flakes & Wheat Porridge	Cold Storage
	Per M.T.	Per K.L.	Per M.T.	
Electricity - units (KWH)	278 (261)	31 (32)	357 (273)	- (-)
LDO (K.L.)	0.00109 (-)	- (-)	- (-)	- (-)
Furnace Oil (K.L.)	0.00042 (-)	- (-)	- (-)	- (-)
L.P.G. (M.T.)	0.00011 (-)	- (-)	- (-)	- (-)
Natural Gas (Cubic Meters)	253 (223)	- (-)	194 (205)	- (-)

Notes :

- (i) * The unit wise consumption of Coal, HSD and Natural Gas is not available as the steam has been supplied to various production division from centrallised boiler.
- (ii) The L.D.O., Furnace Oil and L.P.G. has been used only when the natural gas was available in scarcity.
- (iii) Glass melting furnace was renovated during financial year ended 31st March, 2006. Consumption per MT of natural gas and electricity units per MT of glass produced is increasing year after year due to decrease in efficiency of furnace.
- (iv) Previous year figures are in brackets and modified wherever necessary.

FORM 'B'

Particulars under Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988, for the year ended March 31, 2013

Research & Development

i) Specific areas in which R & D was carried out by the company.

- (a) The new grit making plant was commissioned last year which needs further improvement by supplementary additional equipment for optimizing higher yield from maize grit of different variety and trials are on to get the desired results.
- (b) The Drier fabricated for drying 1500 kg. grits has been successfully modified so that wastage is reduced to desired level in the form of flour.
- (c) Coated Corn Flakes production of different flavors is under trial and on success will be produced for market.

2. Benefit derived as a result of the above efforts:

By implementing the above plans, there was better quality of product, reduction in man power and reduction in cost of production.

3. Future plan of action

Company has planned to renovate glass melting furnace in near future which will save reasonable energy, increase quality and quantity of production and reduction in cost of production.

Company has planned to overhaul the Coal Fired Boiler which after overhauling will give higher efficiency and will reduce the cost also.

Technology absorption, adaptation and innovation:

Efforts which are being made towards technology absorption, adaptation and innovation are:

- (a) It has been possible to adopt technologies and processes successfully because the company has experienced staff and technical facilities for scaling up the processes to commercial scale production.
- (b) The maize variety adaptation is under active study with addition of balancing equipment for increasing the yield. The same equipment has been fabricated and trials will be carried out in due course.

3. Foreign exchange earnings and outgo:

The Company continues to treat exports as major thrust area. New customers are added to the list year after year.

	Amount (Rs.in lacs)
Total Foreign Exchange used and earned for current year	
- Foreign Exchange used	
On Import of Raw material, and Store & Spares	62
- Foreign Exchange earned	720

ANNEXURE TO THE DIRECTORS' REPORT

1. COMPANY'S PHILOSOPHY ON THE CODE OF GOVERNANCE:

Your Company is committed to good Corporate Governance and endeavours to implement the Code of Corporate Governance in its true spirit.

The Company's philosophy on Corporate Governance stems from its belief that timely disclosures, transparent accounting policies, and a strong and independent board go a long way in maximizing Corporate Value. Your Company believes that all actions and strategic plans should deliver value to all stakeholders, including shareholders, as well as conform to the highest standards of Corporate behavior.

Details of implementation of the Code as per amended Clause 49 of the Listing Agreement follow in the paragraphs below:-

2. BOARD OF DIRECTORS:

During the year 2012-2013, Shri P.D. Goswami, Financial Director retired on 9.9.2012 and thereafter the strength of the Board has come down to 8. The Chairman of the Board is the Managing Director who is also the Chief Executive Officer of the Company.

During the remaining period, out of 8 Directors, five Directors were Non-executive Independent Directors, being more than half of the Board. The composition of the Board of Directors met the stipulated requirement of Clause 49 of the Listing Agreement. The Board reviews and approves policies/strategies and oversees the actions and results of the Management to ensure that the long term objectives of enhancing stakeholders values are met.

a) Number of Board Meetings:

The Board of Directors meets at-least once a quarter to review the Company's performance and financial results and more often, if necessary, to transact other business. During the year ended 31st March, 2013, five Board Meetings were held as against the minimum requirement of four Meetings. The dates on which the Meetings were held are as follows:

30th May, 2012, 13th August, 2012, 29th September, 2012, 12th November, 2012 and 13th February, 2013.

b) Composition, Status, Attendance at the Board Meetings and at the Last A.G.M.

As on 31st March, 2013 Company's Board comprised of 8 members. The Chairman & Managing Director is also the Chief Executive Officer of the Company and one other member is Executive Director, and out of the remaining 6 members, 5 are non-Executive Independent Directors. The Composition of the Board is in conformity with the requirements of Clause 49 of the Listing Agreement. The Composition of the Board, name and category of Directors, number of Board Meetings held, attendance of the Directors at the Board Meetings and last Annual General Meeting