



Bisleri

ORIENT BEVERAGES LIMITED



**ANNUAL REPORT
2011-2012**

Orient Beverages Limited

| | | | |
|---|---|---|---------------------------|
| Board of Directors | Sri N. K. Poddar | - | <i>Chairman</i> |
| | Sri Akshat Poddar | - | <i>Managing Director</i> |
| | Sri G. L. Agarwalla | - | <i>Director</i> |
| | Sri B. D. Mundhra | - | <i>Executive Director</i> |
| President | Smt. Avni Kandoi | | |
| Company Secretary | Sri A. K. Singhania | | |
| Auditors | Tiwari & Company | | |
| | Chartered Accountants | | |
| | 107/1, Park Street, Kolkata - 700 016 | | |
| Registered Office | Aelpe Court | | |
| | 225C, A.J.C. Bose Road, Kolkata - 700 020 | | |
| Works | NH-6, Mumbai Highway | | |
| | Salap More, Howrah - 711 409, West Bengal | | |
| Branch | Rukka Road, Ormanjhi, | | |
| | Ranchi - 835 238, Jharkhand | | |
| Bankers | United Bank of India | | |
| | Punjab National Bank | | |
| | Standard Chartered Bank | | |
| | HDFC Bank Limited | | |
| | AXIS Bank Limited | | |
| | ICICI Bank Limited | | |
| Registrars and Share Transfer Agents | Niche Technologies Pvt. Ltd. | | |
| | D-511, Bagree Market | | |
| | 71, B. R. B. Road, Kolkata - 700 001 | | |

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Orient Beverages Limited

NOTICE

Notice is hereby given that 51st Annual General Meeting of the members of ORIENT BEVERAGES LIMITED will be held at GYAN MANCH, 11, Pretoria Street, Kolkata -700 071 on Thursday, the 27th September, 2012 at 11.00 A.M. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2012 and the Statement of Profit and Loss for the year ended on that date and the reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Sri Ganapt Lal Agarwalla, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS:

4. To consider and, if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution :

"RESOLVED that Sri Ballabha Das Mundhra be and is hereby appointed as a Director of the Company, liable to retire by rotation."

5. To Consider and, if thought fit, to pass, with or without modification, the following resolution as a Special Resolution :

"RESOLVED that pursuant to provisions of Sections 198, 269, 309, 310 and 314 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, as amended from time to time, and subject to approval of the Central Government under the provisions of the Companies Act, 1956, consent of the Members be and is hereby given for the appointment of Sri Ballabha Das Mundhra as an Executive Director (being Whole Time Director) of the Company for a period of 5 (five) years with effect from 1st June, 2012 on the remuneration and other terms and conditions as set out in the draft agreement placed before the meeting and initialled by the Chairman for the purpose of identification."

"RESOLVED FURTHER that the Board of Directors of the Company be and is hereby specifically authorised to alter and vary the terms & conditions of the said appointment and/or agreement so as not to exceed the limit specified in Schedule XIII to the Companies Act, 1956, as amended from time to time, as may be agreed to between the Board of Directors and Sri Ballabha Das Mundhra and with the approval of the Central Government, wherever necessary."

Registered Office :
225C, A. J. C. Bose Road,
Kolkata - 700 020.
Dated: 13th August, 2012

By Order of the Board

A. K. SINGHANIA
Company Secretary

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. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The relevant Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Special Business is annexed hereto.

Orient Beverages Limited

3. The Register of Members and Share Transfer Books of the Company will remain closed from 21st September, 2012 to 27th September, 2012 (both days inclusive) for the purpose of Annual General Meeting.
4. Members are requested to send their queries, if any, on the enclosed Accounts to reach at the Registered Office at least 7 (Seven) days before the date of Annual General Meeting.
5. Members / Proxies are requested to bring their copies of the Annual Report at the Meeting.
6. Members / Proxies are requested to bring their Attendance Slips attached herewith duly filled in for attending the Meeting.
7. Members who hold shares in the dematerialised form are requested to bring their Depository ID Number and Client ID Number to facilitate easier identification of attendance at the Annual General Meeting.
8. Pursuant to the provisions of Section 205A (5) and 205C of the Companies Act, 1956 amount of Dividend remaining unpaid or unclaimed for a period of seven years from the date of transfer to Unpaid Dividend Account of the Company, is required to be transferred to the Investor Education and Protection Fund constituted by the Central Government. In compliance with said provisions of the Act, the Company has transferred unclaimed / unpaid Dividend for the financial year ended 30th September, 1995 to 31st March, 1999 to the said Fund.
9. Members are informed that the Equity Shares of the Company have been admitted both on CDSL and NSDL and may be dematerialised under the ISIN INE247F01018.
10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Accordingly, shareholders holding shares in physical form are requested to submit their PAN details along with a photocopy of PAN card, duly attested, to the Registrars of the Company, i.e. M/s Niche Technologies Pvt. Ltd. D-511, Bagree Market, 71, B. R. B. Road, Kolkata - 700001. Shareholders holding shares in dematerialised form are requested to submit details of their PAN to the Depository Participants with whom they are maintaining their demat accounts.
11. Members holding shares in physical form can now avail the facility of nomination in respect of the shares held by them. The prescribed form (Form 2B) can be obtained/ submitted (in duplicate) from/ to the Registered Office or Registrars of the Company i.e. M/s. Niche Technologies Pvt. Ltd.
12. Members are advised to send their requests for share transfer, intimation for change of address, Bank particulars and all other related correspondence directly to the Registrars of the Company.

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956:

Item No. 4:

The Board of Directors at their meeting held on 14th May, 2012 has appointed Sri Ballabha Das Mundhra, (hereinafter referred to as "Sri B. D. Mundhra") as an Additional Director of the Company w.e.f. 1st June, 2012. He holds office up to the date of ensuing Annual General Meeting in terms of provisions of Section 260 of the Companies Act, 1956. The Company has received Notice under Section 257 of the Companies Act, 1956 along with requisite deposit from one of the shareholders signifying his intention to propose Sri B. D. Mundhra as a candidate for the office of the Director of the Company at this meeting.

Sri B. D. Mundhra, aged about 54 years, is a Commerce Graduate and working with the Company since last 26 years.

In view of Sri B. D. Mundhra's qualifications and experience, the Board recommends the resolution for approval of the members.

None of the Directors of the Company, except Sri B. D. Mundhra himself, is in any way concerned and/ or interested in the said resolution.

Item No. 5:

Sri Ballabha Das Mundhra, (hereinafter referred to as "Sri B. D. Mundhra"), aged about 54 years, is working with the Company since last 26 years in various capacities, lastly as General Manager. Sri B. D. Mundhra is a Commerce Graduate and has wide financial and administrative experience of about 35 years. Considering the wide experience of Sri B. D. Mundhra and significant contribution made by him for the Company, the Board of Directors has appointed him as an Executive Director (being Whole Time Director) of the Company at their Meeting held on 14th May, 2012 for a period of 5(five) years with effect from 1st June, 2012.

Since the Company does not have Remuneration Committee to approve the remuneration of managerial personnel as required by the provisions of Schedule XIII to the Companies Act, 1956, the appointment and payment of remuneration to Sri B. D. Mundhra is subject to approval of the Central Government under the provisions of the Companies Act, 1956. An application in this regard will be made to the Central Government in due course.

Following are the main terms and conditions of appointment of Sri B. D. Mundhra as an Executive Director (being Whole Time Director):

- 1) Salary : ₹ 20,000/- (Rupees Twenty thousand) only per month with an option for increment up to 20% of the last salary at the completion of each year. Rate of increment will be decided by the Board of Directors depending upon his performance and profitability of the Company.
- 2) Perquisites and/ or Allowances: Perquisites and/ or allowances shall be restricted to an amount equal to the annual salary. These perquisites and/ or allowances shall be classified as follows:
 - a) House Rent Allowance @ 30% of the Salary.
 - b) Transport Allowance @ 10% of the Salary.
 - c) Bonus as per Rules of the Company.
- 3) Other payments and provisions which shall not be included in the computation of the ceiling on remuneration:
 - a) Contribution to Provident Fund, Superannuation Fund or Annuity Fund as per Rules of the Company to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
 - b) Gratuity payable at a rate not exceeding half a month's Salary for each completed year of Service, subject to maximum amount permissible as per the Payment of Gratuity Act, 1972.
 - c) Entitlement of leave and encashment of same at the end of the tenure as per Rules of the Company.
 - d) Telephone: Provision of Telephone at Residence for Company's business.
- 4) Reimbursement of Expenses :
 - a) Entertainment Expenses :
Reimbursement of entertainment expenses actually and properly incurred for the business of the Company will not be considered as perquisite.
 - b) Travelling Expenses :
Reimbursement of travelling expenses actually and properly incurred for the business of the Company will not be considered as perquisite.
- 5) Sri B. D. Mundhra will not be entitled for any remuneration for attending the Board Meeting and/ or any Meeting of the Committee of the Board.

6) Minimum Remuneration :

The Salary, perquisites and/ or allowances as above shall be paid to Sri B. D. Mundhra as minimum remuneration, notwithstanding absence or inadequacy of profits in any financial year.

7) Sri B. D. Mundhra shall not become interested or otherwise concerned directly or through his spouse or minor children in any selling agency of the Company in future without the prior approval of the Central Government so long he function as Whole Time Director of the Company and his appointment shall be liable to cease in the event of the contravention of this condition.

8) The terms and conditions of the said Appointment and/or Agreement may be altered or varied from time to time mutually by the Company and Sri B. D. Mundhra within the limits prescribed in Schedule XIII to the Companies Act, 1956 or any amendment thereof and with the approval of the Central Government, wherever necessary.

9) The Agreement may be terminated by either party by giving the other party one month's Notice or the Company paying one month's remuneration in lieu of the Notice.

The Board considers that the Company would benefit from the appointment of Sri B. D. Mundhra as an Executive Director (being Whole Time Director) and therefore recommends the proposed resolution for approval of the members.

None of the Directors of the Company, except Sri B. D. Mundhra himself, is in any way concerned and/ or interested in the said resolution.

An abstract of material terms of the contract between the Company and Sri B. D. Mundhra pursuant to Section 302 of the Companies Act, 1956 has already been sent to all the members of the Company.

INSPECTION OF DOCUMENTS:

The documents referred to in this Notice / Explanatory Statement are open for inspection by the Members of the Company at the Registered Office on any working day during business hours up to the date of Annual General Meeting.

Registered Office :
225C, A. J. C. Bose Road,
Kolkata – 700 020

By Order of the Board

Dated : 13th August, 2012

A. K. SINGHANIA
Company Secretary

DIRECTORS' REPORT

To The Shareholders,

Your Directors have pleasure in presenting the Annual Report and Audited Accounts of your Company for the year ended 31st March, 2012:

| FINANCIAL RESULTS : | 2011- 2012 | 2010- 2011 |
|---|-------------|-------------|
| | ₹ | ₹ |
| Profit / (Loss) before Depreciation & Taxation | 1,93,54,065 | 2,23,92,059 |
| Less : Depreciation | 1,04,41,713 | 98,36,545 |
| Tax Expenses : | | |
| -Current Tax | 28,71,678 | 40,93,940 |
| -Deferred Tax | (31,79,100) | (15,73,074) |
| -For Earlier years | (18061) | (14,019) |
| Profit / (Loss) after Tax from continuing operations | 92,37,835 | 1,00,48,667 |
| Add: Profit/ (Loss) after Tax from discontinuing operations | (1,60,291) | 12,185 |
| | 90,77,544 | 1,00,60,852 |
| Add : Brought Forward Profit | 6,60,49,617 | 5,59,88,765 |
| Profit available for appropriation | 7,51,27,161 | 6,60,49,617 |
| APPROPRIATION | | |
| Balance carried to Balance Sheet | 7,51,27,161 | 6,60,49,617 |
| | 7,51,27,161 | 6,60,49,617 |

DIVIDEND :

With a view to plough back the Profit for the operations of the Company your Directors do not recommend any Dividend for the year ended 31st March, 2012 and entire amount of Profit is carried to Reserves and Surplus.

OPERATIONS :

Profit for the year under review is ₹ 90.78 Lacs as against ₹ 100.61 Lacs in the previous year. Previous year's figures had effect of earlier year Income (net) of ₹ 26.15 Lacs, so the results are still encouraging.

The Company has expanded its business of packaged drinking water in the state of Jharkhand with effect from July, 2011 but full effect of the operations of Jharkhand business will be reflected in the current year. The desired results of packaged drinking water business in West Bengal as well as Jharkhand could not be achieved due to heavy increase in the raw materials and power cost and no increase in our prices. The Company is looking for the suitable land to put up another plant to meet the market demand for the coming years.

Real estate business is stable as in earlier years. Renewal of tenancy of one tenant is due with effect from 01.09.2012 and the Company expects a good increase in its rental income from the said renewal. With the present Real Estate activities, the Directors hope for a better year ahead in the current year, subject to stable market conditions.

DIRECTORS :

Sri Ballabha Das Mundhra has been appointed as an Additional Director of the Company with effect from 1st June, 2012 and he holds office up to the date of ensuing Annual General Meeting. The Company has received notice under section 257 of the Companies Act, 1956

for his appointment as Director in the ensuing Annual General Meeting. Sri Ballabha Das Mundhra has also been appointed as an Executive Director (being Whole Time Director) with effect from 1st June, 2012 subject to the approval of the members and the Central Government. Appropriate resolution for his appointment as an Executive Director (being Whole Time Director) is being placed for consideration of the members at the ensuing Annual General Meeting.

Sri Ganpat Lal Agarwalla retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

Smt. Ruchira Poddar and Sri Anil Kumar Poddar have resigned from Directorship of the Company with effect from 1st March, 2012 and 1st June, 2012 respectively. The Board has recorded appreciation for the valuable services rendered by them during their tenure in the office.

DIRECTORS' RESPONSIBILITY STATEMENT:

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

- i) In preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) We have selected appropriate accounting policies and applied them consistently and we have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2012 and of the Profit of the Company for the year ended on that date;
- iii) We have taken proper and sufficient care for maintenance of adequate accounting records in accordance with provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) We have prepared the annual accounts on a going concern basis.

LISTING:

Your Company is listed with The Calcutta Stock Exchange Ltd. and Bombay Stock Exchange Ltd. and Annual Listing Fee for the financial year 2012-13 have been paid.

AUDITORS:

M/s. Tiwari & Company, Chartered Accountants, Auditors of the Company retired at the ensuing Annual General Meeting and are eligible for re-appointment.

AUDITORS' REPORT:

Observations made in the Auditors' Report are self-explanatory as they have been fully explained in the Notes on financial statements at respective points and do not require any clarification.

COST AUDITORS:

The Central Government's notification dated 3rd June, 2011 issued pursuant to Section 209(1)(d) of the Companies Act, 1956 requires the Company to submit a "Compliance Report" for the financial Year 2011-12 duly certified by a Cost Accountant. The Company has appointed Sri Sohan Lal Jalan, Cost Accountant to examine cost accounting records and to certify the Compliance Report. The Company is required to submit the Compliance Report to the Central Government within 180 days from the close of the financial year.

The Board of Directors has proposed to appoint Sri Sohan Lal Jalan, Cost Accountant as Cost Auditor for the financial year 2012-13 to conduct Cost Audit as required by the Central Government's Order dated 24th January, 2012 issued pursuant to Section 233B of the Companies Act, 1956.

FIXED DEPOSITS:

The Company has not accepted any fixed deposits from public with in the meaning of Section 58A of the Companies Act, 1956 and the rules made there under.

PERSONNEL:

Cordial relations were maintained with all the employees at all levels. We thank all the employees of the Company for their dedication and sincerity.

PARTICULARS OF EMPLOYEES:

The Company did not have any employee falling within the scope of Sub-Section (2A) of Section 217 of the Companies Act, 1956.

INFORMATION PURSUANT TO SECTION 217(1) (e) OF THE COMPANIES ACT, 1956:

(A) Conservation of energy:

- a) Energy conservation measures taken:
 - Installation of automatic power capacitor and changeover machine.
- b) Additional investments and proposals , if any, being implemented for reduction of consumption of energy:
 - Installation of higher capacity transformer to have proper distribution of power.
 - Installation of higher capacity generator to meet proper power requirement.
- c) Impact of measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods:
 - Saving in power consumption and consequently in the cost of production
- d) Total energy consumption and energy consumption per unit of production: Not Applicable

(B) Technology Absorption:

Research and Development

Being Franchisee of M/s Bisleri International Private Limited, the Company is adopting technological guidelines provided by its Principal from time to time and thus Research and Development of technology is automatically taken care of.

(C) Foreign Exchange earnings and outgo:

Your Company did not have any foreign exchange earning during the year under review. The foreign exchange outgo was ₹ 41,54,029/- on account of sponsorship, travelling and other expenses.

For and on behalf of the Board

N. K. PODDAR

Chairman

Kolkata, 13th August, 2012.

AUDITORS' REPORT

**TO,
THE MEMBERS,
ORIENT BEVERAGES LIMITED**

We have audited the attached Balance Sheet of ORIENT BEVERAGES LIMITED (the Company) as at 31st March, 2012 and the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date annexed thereto. 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.

We report that:

1. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
2. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of books of account.
3. The Balance Sheet and the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
4. In our opinion, the Balance Sheet and the Statement of Profit and Loss and the 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.
5. On the basis of written representations received from the Directors, as on 31st March, 2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2012 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
6. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information as required by the Companies Act, 1956 in the manner so required subject to note No. 1.05 & 2.30 regarding non-charging of depreciation on certain assets, Note No. 2.27 regarding non provision of Excise Duty as demanded by the Excise Authority being disputed by the Company, Note No.2.28 regarding writ petitions filed by the company before the Hon'ble High Court at Calcutta for recovery of Service Tax on rent from one of its tenants namely M/s. Income Tax Appellate Tribunal and disputing property tax valuation made by the Kolkata Municipal Corporation, Note No. 2.29 regarding pending execution of certain legal formalities in respect of assets and liabilities of amalgamating companies and Note No. 2.32 regarding impairment of assets as per AS- 28